

Shipping Consultative Committee

Minutes of the 31st Meeting held at 2:30 p.m. on 7 November 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. L.C. Chan OOCL Ltd.
Capt. Pradeep Chawla Anglo-Eastern Ship Management Ltd.
Mr. Sanjay Relan Pacific Basin Shipping (HK) Ltd.
Mr. Renato Miu SINOTRANS Shipping Ltd.
Capt. T.T. Chang Wah Kwong Shipping Agency Co. Ltd.
Mr. T.H. Tsang Goldbeam International Limited
Capt. Ranvir Jatar Eurasia Group of Companies
Mr. Sanjay Shesh UNIVAN Ship Management Ltd.
Mr. Victor Cheung Unique Shipping (HK) Ltd.
Mr. Norman W.H. Leung Patt Manfield and Company Limited
Mr. Bill Amos Johnson Stokes & Master
Capt. Y.C. Yu The Merchant Navy Officers' Guild – Hong Kong
Mr. K.Y. Ting Hong Kong Seamen's Union
Mr. W.F. Leung Marine Department (Secretary)

In attendance: Mr. H.K. Leung Marine Department
Mr. H.M. Tung Marine Department
Mr. Y.M. Cheng Marine Department
Mr. Jimmy W.H. Leung Marine Department
Mr. Y.L. Luk Marine Department

Absent with apology : Capt. Ning Pao Kun
Mr. K.S. Rajvanshy
Mr. Tian Zhongshan
Capt. C.A.J. Vanderperre
Mr. Ravi Korivi
Mr. C. Kocherla
Mr. Anil Arora
Mr. Y.H. Shum

1. The Chairman welcomed all present and introduced the newly appointed members, Mr. Norman W.H. Leung of Patt Manfield & Co., Ltd and Capt. T.T. Chang of Wah Kwong Shipping Agency Co. Ltd. There were two other newly appointed members, Mr. Ravi Korivi of Eurasia Group of Companies and Mr. Y.H. Shum of Goldbeam International Limited, who were absent with apology. He then requested the Secretary to introduce those participants who stood in for the SCC members: Mr. Victor Cheung (for Mr. Anil Arora), Mr. Sanjay Relan (for Mr. C. Kocherla), Mr. Renato Miu (for Mr. Tian Zhongshan), Mr. Sanjay Shesh (for Capt. C.A.J. Vanderperre) and Capt. Ranvir Jatar (for Mr. Ravi Korivi) and Mr. T.H. Tsang (for Mr. Y.H. Shum).

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 30th Meeting held at 2:30 p.m. on 9 May 2007

3. The minutes of the 30th meeting held on 9 May 2007 were confirmed with no amendment.

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

4. Mr. H.K. Leung mentioned that as reported in the last meeting, some of the Contracting Governments had raised concern on the date of implementation for the LRIT system. At MSC 83, there was a proposal by the Islamic Republic of Iran to extend the implementation date of the LRIT system to 2010. However, IMO pointed out that there was no provision under SOLAS enabling MSC to extend the implementation date. With a view to ensuring the timely establishment of the LRIT system and given that its next session would only be held in May 2008, MSC established an ad hoc LRIT Group and authorized it, if the need arose during the design, establishment and testing of the LRIT system, to consider and agree on behalf of the MSC amendments to technical specification and standards it had approved. Regarding the development of the International LRIT Data Centre (IDC), IMO had requested the Contracting Governments to complete and return a questionnaire regarding the type of data system and the intended usage of LRIT

information. A total of 22 Contracting Governments including Hong Kong, representing approximately about 13% of the total number of Contracting Governments, responded to the questionnaire. Based on the response to the questionnaire, IMO decided not to establish IDC as the IDC would not be viable since only one Contracting Government had indicated its intention to use the centre. A number of other Contracting Governments stated that they were planning to establish their own national LRIT Data Centres. Regarding the International LRIT Data Exchange (IDE), the proposal by the LRIT Consortium for the establishment and operation of the IDE was rejected as its financial model was not in line with the users pay principle. A lot of Contracting Governments argued why ships, which were required to send 4 position reports per day, were not required to pay instead the cost of transmission were to be borne by the flag States. As there was no further proposal for the IDE, MSC accepted the contingency offer from USA to host and operate IDE on a temporary and interim basis until there was a final and permanent arrangement. Tentatively USA agreed to provide the services for 2 years free of charge excluding the cost of transmission, which would be borne by the flag States. The performance standards and the technical specification for the LRIT system had basically been finalised and IMO would issue a MSC circular in due course. There was a new provision whereby when a ship was undergoing repairs in port or dry-dock or when a ship was laid up, the master of the ship would be allowed to reduce the frequency or switch off the shipborne equipment transmitting LRIT information. There was extensive debate on the possibility of reducing the frequency of sending out LRIT information as it would have a direct impact on the operating costs of the LRIT system. A number of Contracting Governments preferred that 2 instead of 4 ship position reports per day would be sufficient. Some even suggested that such reports should only be sent under polling condition, i.e. upon request by the port or coastal States. IMO would decide if the number of ship position reports needed to be changed after the LRIT was put into operation.

5. The Chairman mentioned that the major problem now was the setting up of data centre. Although USA would provide the IDE as an interim arrangement, many countries might not have their national data centres in place to work with the IDE by December 2008. As far as Hong Kong was concerned, the HKSAR Government data centre could not provide a total solution to meet the requirements. With the IDC no longer an option, the only alternative would be to become part of the China national data centre. However, up to now there was very limited information available about how the China national data centre would be set up. He continued that the uncertainty over the operation of LRIT and the present situation on the setting up of data centres might hamper the ship owners' efforts in their preparation to meet the LRIT requirement by the end of 2008. Although IMO claimed that the implementation date of the LRIT would remain, he reckoned that the postponement

might be unavoidable. Mr. H.K Leung mentioned that whether IMO might consider changing such implementation date would depend on the trial result of the LRIT system in 2008. The Chairman added that despite there might be possible delay of the implementation date, he would advise ship owners to take the necessary preparatory measures as early as possible for mandatory implementation of the LRIT system.

6. Mr. Arthur Bowring mentioned that initially, IMO indicated that equipment could be upgraded to meet the LRIT requirements. However, it now became apparent that many pieces of equipment could not be upgraded but had to be replaced. Therefore any delay in the implementation date of the LRIT system would benefit ship owners by allowing them more time to comply with LRIT requirements. Meanwhile, it would be in the interest of the ship owners if the Administration could sort out how the LRIT requirements could be complied with before they came into force.

7. Mr. H.K. Leung also mentioned that IMO was preparing guidelines on how Administrations would enhance maritime security for non-SOLAS vessels operating in their territorial waters. The Chairman supplemented that the guidelines would only be recommendatory at this stage.

8. Mr. Y.L. Luk briefed on the information paper SCC/31/2007/BRIEF 3 “Certificate of Proficiency as Ship Security Officer to be issued as an endorsement to a Hong Kong Certificate of Competency or Licence”. The purpose of the paper was to inform members about MD’s decision to issue the Certificate of Proficiency as Ship Security Officer as an endorsement to a Hong Kong Certificate of Competency or Licence and the reduced fee of HK\$140 to be charged for the endorsement. The Chairman supplemented that the new requirement would become mandatory on 1 January 2008. Mr. Arthur Bowring enquired how the fee of HK\$140 was calculated. Mr. Y.L. Luk said that the amount of charge was based on the regulation in the Schedule of Cap. 2M. Mr. L.C. Chan enquired whether the Certificate of Proficiency as Ship Security Officer would have expiry date. Mr. Y.L. Luk replied that as such Certificate of Proficiency was issued as an endorsement to the Certificate of Competency or Licence, when the Certificate of Competency or Licence expired, the endorsement, i.e. the Certificate of Proficiency would also expire. Mr. L.C. Chan also enquired whether a new application for endorsement would need to be submitted when the Licence was renewed. Mr. Y.L. Luk said that any renewal of Licence would also renew the endorsement. He added that the first application for endorsement would incur the charge of HK\$140. Thereafter, if an old licence with endorsement was renewed, the endorsement would be automatically transferred to the new

Licence without additional charge. However, if an endorsement was applied separately from the application of the Licence, the charge would be HK\$140.

Agenda Item 4 – New SOLAS Amendments

9. Mr. Jimmy W.H. Leung mentioned that MSC 83 held in October 2007 adopted resolutions MSC.239(83) and MSC.240(83) to amend SOLAS requirements. Referring to document SCC/31/2007/BRIEF 2, he gave an outline of the amendments. There were a total of 3 amendments adopted, relating respectively to GMDSS satellite providers, material safety data sheets and form of certificates. The amendments would enter into force on 1 July 2009.

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

10. Mr. Y.M. Cheng mentioned that as instructed by THB, the draft drafting instructions (DDI) for the Merchant Shipping (Prevention of Oil Pollution) (Amendment) Regulation, Chapter 413A, was re-written to replace all previous proposed legislative work on MARPOL Annex I such that the revised Cap. 413A would keep up-to-date with the revised Annex I of MARPOL. The re-written DDI was submitted on 22 October 2007 to the policy bureau THB for the issue of Drafting Instructions to the Law Draftsman in DoJ. With the completion of the drafting work on the local legislation for the MARPOL Annex VI, he expected that the drafting of the amendment regulations to Cap. 413A would commence soon. The Chairman supplemented that since Cap. 413A was first enacted in Hong Kong to give effect to Annex I of MARPOL, the legislation had never been amended. MD was making use of the opportunity to update this piece of legislation.

11. 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.

12. 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 Environmental Protection Department (EPD), the conversion of the existing barge to collect such waste was pending

due to the reasons (i) that the demand of the reception / disposal services in the past months was very high and the contractor could not spare their barge for conversion; (ii) that the safety arrangement at the shore connection had yet to be developed; and (iii) that as the existing contract for the waste disposal services would expire by next year, the contractor might opt not to convert the barge at this stage. He continued that according to Exxon Mobile, the only company currently received cargo generating this type of waste, the cargo received every time was about 500 tonnes and the quantity of liquid waste after tank washing was only about 4 to 5 tonnes. With such a small quantity, hazardous effect of the waste was minimal. However, due to low flash point, the waste still had to be treated under an enclosed system. Exxon Mobile at present employed a Bulk Liquid Container (BLC) to receive this kind of waste. In case of demand, the Government might, as an interim measure, arrange a flat-top barge with the BLC secured onboard to collect the waste from vessels.

13. The Chairman supplemented that due to the low demand for such waste disposal service, the barge contractor might have little incentive to convert their barges. However, when the contract for the waste disposal services was renewed, MD should liaise with EPD to put more pressure on the barge contractor to complete the conversion work as soon as possible.

14. Regarding MARPOL Annex VI, Mr. Y.M. Cheng mentioned the Merchant Shipping (Prevention of Air Pollution) Regulation was expected to be cleared by LegCo by 7 November 2007. In order to implement the Regulation in HKSAR, MD had recommended the Chief Executive in Council to make another regulation to amend the relevant regulation regarding the fees for the survey required by the Regulation. Upon the LegCo's approval for both regulations, MD would request Central People's Government via the Ministry of Foreign Affairs (MFA) Office to inform IMO regarding the extension of MARPOL Annex VI to HKSAR. These two regulations were expected to be implemented in HKSAR around mid-2008.

15. Regarding the compliance of MARPOL Annex VI in Hong Kong, Mr. Y.M. Cheng mentioned that basically, all sea-going vessels would be required to fully comply with the requirements of MARPOL Annex VI except the provision on vapour collection system. As Hong Kong had no large volume of loading activities, tankers operating in the waters of Hong Kong would not be required to be fitted with the vapour collection system as allowed by the Convention. He drew the attention of ship owners, however, that Hong Kong registered ships trading to other ports outside Hong Kong might be required to be fitted with the vapour collection system. However, according to the MARPOL Annex VI,

terminals which had installed vapour emission control systems in accordance with the regulation might accept existing tankers which were not fitted with vapour collection systems for a period of three years counting from the date of notification on which the port informed IMO.

16. As for locally licensed vessels and Mainland trading vessels, the new Merchant Shipping (Prevention of Air Pollution) Regulation allowed the Administration to provide certain flexibility as to the compliance of the Regulation. After meetings with Mainland Authorities, agreement had been reached that relaxation on certain requirements of the new Regulation for local vessels would also apply to PRC coastal vessels trading in Hong Kong waters.

17. Mr. Arthur Bowring enquired more about the relaxation that would be granted to local vessels. The Chairman replied that there were two areas that required relaxation. Firstly, MARPOL Annex VI which came into force internationally on 19 May 2005 required all engines built after that date to meet the NOx emission control requirements. As it would be difficult for Hong Kong to retroact this requirement to 19 May 2005 due to the time lag in implementation of the MARPOL Annex VI requirements, the requirement of NOx emission control would only be implemented from the date when MARPOL Annex VI was extended to Hong Kong, i.e. around mid-2008. Another relaxation concerned the requirement for maintaining the bunker delivery notes and samples. As local vessels and coastal vessels tended to fill up their fuel tanks frequently due to short trading voyage, it might not be reasonable to require these vessels, unless heavy fuel was used, to keep such a large number of the bunker delivery notes and samples. He added that despite such relaxation, MD would have alternative measures to ensure the fuel that these vessels used would meet the MARPOL Annex VI requirements.

Agenda item 6 – Maritime Labour Convention 2006

18. Mr. Y.M. Cheng mentioned that since the Tripartite Working Group (TWG) was formed in January 2007, four meetings were held. The next meeting, which would be the last TWG meeting scheduled to be held in January 2008, would discuss Title 5 regarding “Compliance and enforcement”, a subject being new to the Administration. Upon completion of the review of the current legislation, a formal paper on the outcome of the discussion of TWG would be submitted to the Seafarers Advisory Board (SAB) for its approval. After obtaining approval from the SAB, MD would commence the drafting of a new subsidiary legislation under Cap. 478 to give effect to Title 5. As for the remaining Articles, i.e. Titles 1 to 4, the drafting of amendment regulations to the existing subsidiary

legislation under Cap. 478 would also be required. He continued that a delegation of the TWG comprising 6 members attended, from 17 to 19 October 2007 in Beijing, a National Seminar on Maritime Labour Convention jointly hosted by the Ministry of Communications of China and ILO. The seminar provided a good opportunity to have a better understanding on MLC 2006 as well as the difficulties encountered by China in the implementation of the MLC 2006. In the seminar, it was noted that the formation of the TWG in the HKSAR to prepare for the implementation of MLC 2006 was well ahead of the Mainland.

19. Mr. Bill Amos enquired what would be the end product of the TWG's process. The Chairman said that based on the outcome of the TWG, the current crew agreement for seafarers serving on Hong Kong registered ships would have to be modified to suit the MLC requirements. Upon enactment of the legislation to give effect to MLC 2006, a system would be set up to provide certification and other mechanisms to monitor the implementation of the MLC requirements on Hong Kong registered ships. Mr. Y.M. Cheng said under MLC a Maritime Labour Certificate would be issued to each ship to attest compliance in respect of the accommodation, wages, crew agreement and welfare requirements.

20. Mr. Y.M. Cheng mentioned that there might be problems regarding the provision on compensation of injury. Under MLC, seafarers should have the same protection or the compensation of injury as shore workers. However, the Labour Department had different opinion and views of DoJ on this issue had to be sought. The Chairman opined that seafarers working on any ships should be offered the same condition of services as the shore workers working in the place of domicile. Based on this approach, he considered that seafarers serving on Hong Kong registered ships should receive the same compensation of injury as the shore workers working in Hong Kong. Mr. Arthur Bowring commented that in other shipping community, the amount of compensation of injury would normally be determined by the crew agreements while the insurance would be covered by the P&I clubs. However, in Hong Kong, the amount of compensation of injury for seafarers was subject to the levels set out in the Employees' Compensation Ordinance (ECO) and would only be covered by insurance companies authorized in Hong Kong. He opined that like other countries, ship owners would like to have the amount of compensation of injury included in the crew agreements rather than the legislation. The Chairman said that Labour Department was looking at the issue and would hopefully provide clear interpretation on the approach to be adopted for compensation of injury to seafarers serving on Hong Kong registered ships in the current exercise.

21. Regarding the implementation of MLC 2006 in China, the Chairman said that the preparatory process might be a little behind the schedule. However, China had indicated that they would not have much problems to implement the MLC requirements by 2009. Mr. K.L. Lee mentioned that China had already established a new legislative framework for the purpose of adopting the MLC, under which various rules would be made to set out the detailed requirements of the Convention. As these rules were to be made by the relevant authorities the process could be expedited.

Agenda item 7 – Voluntary IMO Member State Audit Scheme

22. Mr. W.F. Leung mentioned that since the inception of the Audit Scheme in 2005, 34 Member States had volunteered for the audit. As of 31 July 2007, 13 audits had been successfully conducted while five additional audits had been confirmed for the rest of the year. The cost for an audit was around £11,000 (i.e. about HK\$180,000). He continued that China had indicated that, at the Assembly meeting in November 2007, they would submit the application to IMO to join the Audit Scheme and HKSAR would also be included in the audit. A total of 98 individuals had been nominated by 38 Member States from all geographical regions of the world for inclusion in the roster of IMO auditors. As an auditor appointed by IMO, he conducted the audit for Thailand during the period from 13 to 22 October 2007.

23. Mr. Arthur Bowring wondered why Hong Kong needed to be part of China's audit. As Hong Kong was an associated member of IMO and its shipping was fully autonomous, the audit of Hong Kong might not be necessary to be combined with China. The Chairman mentioned that irrespective the situation in China, Hong Kong was ready for the audit. Although the Mainland wanted that the Mainland and HKSAR should join the audit at the same time, he reckoned that the audit of Hong Kong would be conducted separately from that of Mainland. He continued that MD would have not much problems for the audit apart from the implementation of local legislation to give effect to international requirements. He hoped the legislative work would gradually improve.

Agenda item 8 – Wreck Removal Convention

24. Referring to the document SCC/31/2007BRIEF 4, Mr. Jimmy W.H. Leung gave an outline on the latest development in respect of the Wreck Removal Convention. He highlighted that the International Conference on the removal of wrecks held in Nairobi, Kenya, in May 2007, adopted the Nairobi International Convention on the Removal of Wrecks, 2007. The Convention which would provide the legal basis for States to remove

wrecks that might have the potential to affect adversely the safety of lives, goods and property at sea, as well as the marine environment, would enter into force twelve months following the date on which ten States had ratified the Convention. Hong Kong at present had legislation to regulate removal of wreck within Hong Kong waters. However, Hong Kong would have to consider amending the legislation to make it in line with the requirements of the Convention when it came into force. The Chairman supplemented that the new Convention would require all vessels to have a certificate attesting that they had the insurance cover to cater for wreck removal if they became a wreck.

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

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

25. Mr. Y.L. Luk mentioned that from the tables distributed, members could find the information about the Hong Kong Shipping Register. The statistics showed a steady increase of tonnage. He highlighted that the HKSR crossed the 35 m gross tons mark on 31 July 2007. On 26 October 2007, the 1000th ocean going ship was registered with the HKSR. The total tonnage on the HKSR now was 35.48 m.

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

26. Referring to Annex I of the statistics tabled at the meeting, Mr. H.M. Tung said that from May to October this year, there were a total of 13 FSQC inspections of ships with 7 of which being carried out after the ships were detained by PSC. For these FSQC inspections, about 69% of the ships were graded satisfactory. For those ships graded less satisfactory, MD had instructed the concerned classification societies to follow up. As regards PRQC, 4 inspections were carried out and 2 of these inspections were graded less satisfactory. The ship “DOLPHINA”, which had been inspected twice, would not be accepted for registration until the classification society had confirmed rectification of the deficiencies. 5 company visits were conducted and all were graded satisfactory. There was no CAS conducted during the reporting period.

27. Mr. Arthur Bowring mentioned that he was approached by a mariner complaining the difficulty to register a ship in Hong Kong. He advised the mariner to follow the recommendations of MD in order to get the ship registered. The Chairman thanked the information given.

28. Capt. Pradeep Chawla noted that the FSQC inspections were not only conducted on ships which had been detained under PSC but also on some other ships. Given that about one third of the FSQC inspections were conducted on ships aged 25 years or above as shown in the statistics, he opined that ships reaching certain age should be looked at more carefully. He enquired on the criteria used to select ships for the FSQC inspection. Mr. K.L. Lee said that MD adopted a points system to select vessels for inspection. Besides giving heavy weighting to the ship's age, the points system also took into account several factors including ship's type, 3-year PSC rolling inspection records, classification society, management company and company audit performance. Ships with the highest points would be selected for the FSQC inspection.

29. The Chairman mentioned that from the statistics, out of the 13 ships inspected under the FSQC, only 3 were found less satisfactory. He wondered if the current points system used to target less satisfactory ships was effective enough. Mr. Arthur Bowring commented that it might be valuable to compare the number of ship detentions with the total number of ships in the HKSR in order to measure the effectiveness of the quality inspection system. Mr. K.L. Lee responded that the measurement of effectiveness of FSQC inspections by only using the number of detention of Hong Kong registered ships alone might not be very useful. In fact the ratio comparing the number of detention of Hong Kong registered ships with the total number of ships in the register for last year was only 2.9%, which was less than the previous year. This ratio was expected to be more or less the same for this year.

30. Mr. H.M. Tung mentioned that he was carrying out a study trying to make use of the current statistics to determine whether, after subject to PRQC or FSQC inspections, the quality of the Hong Kong registered ships would improve. The Chairman opined that one approach might be used was to allocate each of the vessels in the fleet numerical points basing on the criteria of FSQC inspections. The number of points of all individual ships would then be added up and divided by the total number of ships to give an average point. By monitoring such average points over a period of time, it might be able to identify whether the quality of the Hong Kong fleet had in fact been improving.

31. Mr. K.L. Lee mentioned that as earlier mentioned, MD adopted a points system under which ship's type, age, 3-year PSC rolling inspection records, classification society, management company and company audit performance were used as criteria to calculate the points. To show the performance, these points would be compiled on annually basis so that comparisons could be made for the fleet. However, in view of the increase of ship's

age yearly and the annual variation of the PSC records, the analysis obtained in one or two years might not truly reflect the conditions of the ships. Only if the statistics were compiled for a longer period of time, the trend to show the performance of the fleet could be established. Capt. Ranvir Jata enquired whether the ship owners would be advised of the numerical points assigned to each individual ship. Mr. K.L. Lee replied that MD had no intention to provide such information until the system was operated for a longer period and more experience was gained.

32. Capt. Pradeep Chawla opined that as the total detention ratio of Hong Kong registered ships was only 2.9% as compared to the approximate regional figure 5% of the Tokyo MOU, it might be used as a bench mark for measuring the effectiveness of the quality inspection system. He also commented that the weighting factor given to the classification societies in the points system might not be an important criterion as most of them were reputable organizations and were of little difference. To achieve better monitoring of the fleet in the HKSAR, besides the ship's age and the company, the crew nationality as well as their training standards might also be the important criteria.

33. Mr. Arthur Bowring enquired if some sort of numerical system to show how the quality of the ships in the HKSAR was measured could be provided in the next meeting. The system might cover the bench marking or average points system discussed. The Chairman said that it would be a good idea to develop a new framework with new indicators to measure the quality of the HKSAR. Mr. K.L. Lee agreed that Shipping Division would look into the issue and provide the necessary information.

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

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

34. Referring to Annex 2 of the statistics, Mr. H.M. Tung mentioned that from May to October this year, there were a total of 16 ship detentions under various MOUs. These detentions were 5, all in Australia, under the Tokyo MOU, 3 under the Paris MOU, 4 under the other MOUs, and 4 by the USCG. For those ship detentions by USCG, one ship was detained on security ground. The port State control regime was conducting the Concentrated Inspection Campaign on ISM from September 2007 until the end of November 2007. So far no Hong Kong registered ships were detained under this exercise. It appeared that Australia and USA were the two countries with the most detentions on Hong Kong registered ships. He advised ship owners to take special attention when ships visited these areas.

35. Capt. Pradeep Chawla commented that PSC inspectors in Australia held a very strict interpretation on deficiencies. There was a case that when a ship officer failed to start a lifeboat engine in 5 minutes, the ship was detained. Also there were examples that ships were detained attributed to the own interpretation of the PSC officers rather than whether the deficiencies were justified. He also mentioned about the tendency of PSC officers to issue Code 17- “rectify deficiency before departure”. Code 17 was supposed to use for deficiencies that warranted rectification before the ship sailed. However, the trend was that even with minor deficiencies that would not affect the safety of the ships, such as signature mistakes or unclear stamp marks on certificates, Code 17 was issued. Even in the statistical table, there were cases of Code 17 which were not justified. He also remarked that on the commercial aspect, ships with deficiencies of Code 17 might cause unnecessary problems in the chartering process. Mr. K.L. Lee mentioned that MD would consider to submit a paper to the next meeting of the Asia-Pacific Port State Control Committee on the issue. He requested Capt. Pradeep Chawla to provide more information, if necessary. The Chairman hoped that the Asia-Pacific Port State Control Committee would issue more specific guidelines for the PSC inspections.

36. Capt. L.C. Chan commented that the rate of detention of Hong Kong registered ships in Australia was totally different from other places in the Tokyo MOU as the 12 ships detained under the Tokyo MOU from 1 January to 31 October 2007 were all by Australia. The Chairman said that the important point was whether the detentions were justified or not. If the detentions were found unjustified, MD would request the Australian authority to review the case or provide more explanation on the standards they used in carrying out the PSC inspection.

37. Mr. K.L. Lee mentioned that for the detention of Hong Kong ships in Australia, many were detained with one detainable deficiency. There were also a number of ships only with a number of minor deficiencies but were detained after the deficiencies were combined as an ISM deficiency. Despite the lack of evidence, it was apparent that Australia was targeting Hong Kong registered ships. He mentioned that MD would seek data to establish which flag of the ships had the highest detention rate under the Australia PSC regime to see if that would give any sign of targeting. The Chairman suggested that the issue should also be brought up to the next Asia-Pacific Port State Control Committee meeting.

38. Capt. Pradeep Chawla mentioned that several years ago, they had invited the CEO of AMSA to Hong Kong for discussion as at that time many ships were detained in the port of Newcastle, Australia. He suggested if MD would invite the CEO to come to

Hong Kong for discussion on PSC matters. Mr. K.L. Lee mentioned that the CEO recently came to Hong Kong for the Asia-Pacific Port State Control Committee in August 2007. On one occasion, MD complained to him why Australia put the list of ship detentions both under the Tokyo MOU and the Indian Ocean MOU as these would double count the ship detained.

39. Mr. Renato Miu enquired if MD would invite MSA of China to come to Hong Kong to discuss PSC matters. He mentioned that recently, one of their ships, a regular liner to China, was found with 22 deficiencies in the PSC inspections. Every time the ship came to China, different deficiencies were found. The Chairman said that MD had regular meetings with MSA Beijing as well as the Guangdong MSA. If ships were found to be detained unreasonably by PSC in China, ship owners might inform MD so that the cases would be referred to MSA in China. Mr. H.M. Tung requested that, in this context, ship owners should provide all the details of the inspections and if possible the supporting photographs.

40. The Chairman mentioned that from the statistical table, there were 4 ships detained in the port of Gladstone, Australia. He wondered if these ships were detained on similar deficiencies and whether the detentions were as a result of the PSC officers' own preference on inspecting certain particular areas of the ships. These cases might have to be further looked into so as to identify the areas prone to ship detentions. Where appropriate, ship owners would be advised to pay attention on these particular areas when their ships were trading to this port.

41. Mr. H.M. Tung mentioned that Annex 3 of the statistics provided details of detention of the Hong Kong registered ships. Such statistics would be forwarded to ship owners for information. Annex 4(a) and (b) showed the distribution of detainable deficiencies and distribution of all deficiencies respectively. Defects relating to fire safety, pollution, general safety, navigation and load lines were among the major factors for detentions. He urged ship owners to pay special attention to these defects.

42. Capt. Pradeep Chawla suggested if the statistics would include a list of ports having the greater number of detention of Hong Kong registered ships. Such information would be useful for ship management. Mr. K.L. Lee agreed with the suggestion and said that such list would be compiled.

43. Mr. Arthur Bowring expressed concern on the ship detentions by USCG. Mr. H.M. Tung mentioned that if there were 10 ships detained by USCG this year excluding

the ships detained under security ground, Hong Kong might lose the Qualship 21 status. He estimated that the number of ships detained by USCG this year might be 8. If there were 5 more ships detained next year, the Qualship 21 status might be lost. Mr. K.L Lee said that a circular would be issued to draw the attention of the ship owners to the situation when their ships were trading to the US.

[Post-meeting note: The circular letter as mentioned in paragraph 43 together with the list of details of detention of HK ships for the period from January to October 2007 was forwarded to the ship owners/operators on 14 November 2007.]

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

44. Mr. H.K. Leung said that casualty statistics for Hong Kong registered ships from April to September 2007 were presented in Table 7 of List A of Statistics for Hong Kong Shipping Register. He expected that the accident figures in 2007 would not be higher than 2006. He drew members' attention on Table 7A concerning a serious accident in which a fire occurred on board "New Anhui" when the ship was in a shipyard in Shanghai killing the bosun's wife and the ship owner's representative. This type of accident was the second case within a year since February 2007, another Hong Kong registered ship also caught fire while in a shipyard in Shanghai. With the investigation soon to be finished, MD envisaged the need for the issue, in due course, a Merchant Shipping Information Note to advise ship owners on the lessons learnt and recommendations made. In this context, the investigating officer might request ship owners to provide information on the safety practices they had, such as fire patrol arrangement, when their ships were in a shipyard. Mr. Norman W.H. Leung mentioned that during the concerned fire incident he was in the shipyard. He had tried to obtain more information from the shipyard but to no avail. Mr. Sanjay Relan mentioned that based on the information he got, the fire occurred during the removal of insulation by hot work and the shipyard seemed to have inadequate fire preventive measures. The Chairman commented that to prevent fire during hot work, it should be the responsibility of the shipyard to take the necessary precautionary measures. However, the ship owners, as a client to the shipyard, should also ensure such measures were taken by the shipyard.

45. Capt. Pradeep Chawla enquired about the communication channel with China on the navigation safety in the Port of Shanghai. He often received near miss reports from ships in approaching the Port of Shanghai. He expressed concern on the navigation safety of this port as there a few traffic lanes leading to the pilotage area and the traffic might not have been well controlled. The Chairman said that MD would reflect the situation to China

during the regular meeting with MSA Beijing. Mr. H.K. Leung requested if a Hong Kong registered ship encountered a near miss situation, ship owners should provide the near miss reports to MD for follow-up action.

Agenda item 10 – Any Other Business

Agenda item 10(a) – Consultation Paper SCC/131 “Implementation of the International Convention on the Control of Harmful Anti-fouling Systems on Ships in the HKSAR”

46. Mr. Y.M. Cheng briefed members on the consultation paper SCC/131 “Implementation of the International Convention on the Control of Harmful Anti-fouling Systems on Ships in the HKSAR”. Members were requested to send in their views if any in writing by 12 November 2007 on the proposed ratification of the AFC Convention in the HKSAR.

47. The Chairman supplemented that HKSAR intended to enact legislation to give effect to the AFS Convention. However, due to uncertainty over the time of the legislative programme, the legislation might not be ready when the Convention came into force internationally on 17 September 2008. As an interim arrangement, MD had authorized the classification societies to issue the statement of compliance confirming that the antifouling paints used on ships had met the requirements of the Convention. Mr. Y.M. Cheng mentioned that MD had newly issued MSIN No. 39/2007 advising ship owners on the arrangement.

48. Mr. Arthur Bowring mentioned that according to the Convention, existing TBT paints would need to be covered with a coating by 17 September 2008 otherwise ships would encounter PSC problems. He enquired how MD would apply such requirements retroactively to local vessels. The Chairman said that in Hong Kong, TBT paints were subjected to strict control by the Agriculture, Fisheries and Conservation Department. Except for aluminum hulls, TBT paints were not allowed to apply on any vessels below 24 metres. In fact the TBT paints had already been banned locally for several years. The retroactive requirements of the Convention would thus have no effect on local vessels. However, for vessels trading between Hong Kong and the Mainland, MD would need to discuss with the Mainland authority on how to implement such requirements under the Convention.

49. Mr. Arthur Bowring mentioned that it appeared that some ship owners continued

to buy TBT paints to apply to their vessels even though such paints should not be used from 1 January 2003. MD might wish to draw the attention of the ship owners on the practice.

Agenda item 10(b) – Implementation of IMO Unique Company and Registered Owner Identification Number Scheme

50. Mr. H.M. Tung briefed on the information paper SCC/31/2007/BRIEF 1 “Implementation of IMO Unique Company and Registered Owner Identification Number Scheme”. The purpose of the paper was to inform members of the action to be taken by MD to implement the new SOLAS requirements on company and registered owner identification numbers. The new requirements would enter into force on 1 January 2009.

Agenda item 10(c) – Helicopter Rescue Services in China

51. Capt. Pradeep Chawla mentioned that in a past incident, one of their ships requested helicopter service from China to take an injured crew ashore. Initially, the problem was the communication between MRCC in China and the ship as the former was not speaking English. With the help of the Hong Kong MRCC, the language difficulty with MRCC in China was later resolved. However, the main issue was that there was no helicopter service available for the rescue even when the ship was only about 110 nautical miles from the coast of China. They had tried to contact the MRCC in China for more information but was no avail. He requested if MD would get in touch with China to seek information about the availability, location and maximum service range of the helicopter facilities in China. The Chairman opined that there might be limitations on the SAR services in China. However, MD would gather the information from China via the Hong Kong MRCC and their counterpart in China.

Agenda item 10(d) – Automatic Identification System for Local Vessels

52. The Chairman mentioned that under the SOLAS regulations, vessels over 500 gross tonnage and above, not engaged on international voyage, would be required to be fitted with an automatic identification system (AIS) from 1 July 2008. MD would formulate a policy on how the AIS requirement would be applied to local vessels including those trading between Hong Kong and the mainland China. He would like to seek the views from members whether the AIS installation on local vessels would improve navigational safety. Capt. Pradeep Chawla supported the installation of AIS on local vessels as AIS could provide useful ship information which was sometimes even better

than that obtained from the radar system. In sea cluster situation, a radar might lose track of a small ship but AIS would not. Also, there had been reports that if a ship was changing course rapidly, the AIS would pick up signals faster than a radar, thus assisting navigational safety. Mr. Sanjay Relan mentioned that AIS was useful to identify other ship's name and positions. The Chairman appreciated the information provided by members.

53. Mr. Arthur Bowring mentioned that IMO was going to publish a list on ships which were required to be fitted with AIS but the equipment did not work properly. Mr. H.K. Leung mentioned that the issue was raised during the discussion on piracy incidents at MSC 83. In the meeting, some Member States expressed concern that when ships were being chased by speed boats, the identity of the speed boats could not be detected as no AIS message could be received from the speed boats. Some Member States also concerned on the improper functioning of AIS used in ports. They found that AIS installed on some ships was either not used or did not transmit signal properly, causing confusion to other vessels. The Chairman reckoned that IMO was taking up the issue and looking for solution to deal with ships with improperly fitted or functioning AIS equipment.

Close of Meeting

54. As there was no other business, the meeting closed at 4:55 p.m.