

## **Shipping Consultative Committee**

### **Minutes of the 34<sup>th</sup> Meeting held at 2:30 p.m. on 11 June 2009 in the Marine Department Conference Room A**

Present: Mr. P.F. Chun Marine Department (Chairman)  
Capt. Firoze Mirza Bernhard Schulte Ship management (HK) Ltd  
Partnership  
Capt. Gautam Kashyap Fleet Management Ltd  
Mr. Y.H. Shum Goldbeam International Limited  
Mr. Arthur Bowring Hong Kong Shipowners Association  
Mr. K.Y. Ting Hong Kong Seamen's Union  
Mr. Harry L.H. Chan JSM  
Capt. C.M. Yu The Merchant Navy Officers' Guild – Hong Kong  
Capt. L.C. Chan OOCL Ltd.  
Capt. Jay K. Pillai Pacific Basin Shipping (HK) Ltd.  
Mr. Renato Miu Sinotrans Shipping Ltd.  
Mr. R. Pasricha Univan Ship Management Ltd.  
Mr. Anil Arora Unique Shipping (HK) Ltd.  
Capt. T.T. Chang Wah Kwong Shipping Agency Co. Ltd.  
Mr. Y.K. Li Marine Department (Secretary)

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

Absent with apology :

Mr. C. Kocherla  
Capt. Pradeep Chawla  
Capt. Ning Pao Kun  
Mr. Tian Zhongshan  
Mr. Leung Wai Hung, Norman

1. The Chairman welcomed all present and requested the Secretary to introduce those participants who stood in for SCC members:

Mr. R. Pasricha (for Dr. Ranjan Varghese), Capt. Firoze Mirza (for Mr. Ravi Korivi), Mr. Renato Miu (for Mr. Z.S. Tian), Capt. Gautam Kashyap (for Mr. K.S. Rajvanshy), Capt. Jay K Pillai (for Mr. C. Kocherla).

### **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 33<sup>rd</sup> Meeting held at 2:30 p.m. on 14 Nov 2008**

3. The minutes of the 33<sup>rd</sup> meeting held on 14 Nov 2008 were confirmed with no amendment.

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

#### **Progress of LRIT Conformance test onboard Hong Kong registered ships**

4. Mr. H.K. Leung reported on the latest development on the implementation of LRIT system as at 1 June 2009, 997 Hong Kong registered ships had completed satisfactorily the LRIT Conformance Test, representing 85% of the total number of ships over 300 ton in Hong Kong Shipping Registry. It appeared that there would not be problem for Hong Kong registered ships to meet the LRIT requirement on 1 July 2009. However many data centres could likely still not be ready for operation by then.

#### **Progress of Data Centre for Hong Kong registered ships**

5. Hong Kong registered ships would use the China National Data Centre i.e. the China Transportation and Telecommunication Centre (CTTC). The CTTC had been undergoing a full scale developmental testing with US data centre and Republic of Korea data centre. This developmental test was expected to complete before 30 June 2009. The CTTC had applied already to IMO for the PKI certificate (Public Key Infrastructure, the

identity for the users to use the LRIT system) for integrating the data centre into the LRIT system. The PKI certificate was needed before the CTTC could be in full operation under production environment as part of the LRIT system. The time when CTTC could be in full production mode would depend on how early the developmental testing could be completed and when IMO could issue the PKI certificate to CTTC, which in any case should be around 1 July 2009.

6. Marine Department would sign an agreement with MSA, Beijing to allow Hong Kong registered ships to use the China National Data Centre. Under the agreement the Chinese authorities would not have right to access the LRIT information of Hong Kong registered ships outside the range of 1,000 nautical miles from the Chinese coast.

#### **Outcome of MSC 86 meeting on LRIT issues**

7. Information from MSC 86 revealed that about 61 Data Centres would be established for the LRIT system. However, up to the time of the SCC meeting only 7 data centres i.e. US, Bahamas Marshall Islands, Canada, Brazil, Republic of Korea and Japan had completed the integration testing and was in full production mode. 10 data centers including China, Russian Federation, India, Panama, Turkey, Tuvalu, Antigua and Barbuda, Australia and Vanuatu were still undergoing full scale developmental testing.

8. MSC decided that the interim grace period for LRIT implementation could not be extended beyond 1 July 2009. In other words, the requirements of LRIT would come into effect internationally on 1 July 2009.

9. However, as a majority of States was still in the preparatory stage of implementing the requirements (i.e. establishing the Data Centre and integrating it to the LRIT System), at its 86 Session, MSC approved Circular MSC.1/Circ.1309 to maintain an updated list to provide information on the different stages of preparation the Contracting Governments had reached in the implementation of LRIT requirements. The Circular urged the Contracting Governments to take a pragmatic and positive position in dealing with the implementation of the LRIT requirements during the period from 1 July 2009 to 30 September 2009.

10. It appeared that the LRIT system could become fully operational internationally on 1 October 2009 when a substantial number of Data Centres would become operative by the time. To avoid premature operation, Hong Kong registered ship very likely would not be required to send out LRIT data information earlier than 1 October 2009 i.e. before the LRIT system had been connected up with all major data centers. MD would monitor

closely the readiness of the LRIT system as a whole and would keep the shipowners advised of the latest developments.

11. The Chairman supplemented that the IMO had issued a MSC circular advising the contracting governments to be more pragmatic and lenient in their port state control inspection in relation to the LRIT system requirements, as any delay of operation was likely related to the contracting government concerned (the readiness of the LRIT centre) rather than the equipment on board an individual ship. However the ship should be fitted with the appropriate LRIT equipment on board and completed the conformance test in accordance with the scheduled time frame.

12. The Chairman stated that if shipowners were interested in buying LRIT information to monitor their own ships, MD would have to put forward a request to CTTC so that such service could be made available. Basing on the feedback from the representatives in the Committee, it appeared that such service would not be needed.

13. The Chairman further clarified that the LRIT data of the HK registered ship would be separated from that of the mainland PRC ships. According to SOLAS the Chinese Government could not obtain information directly from a HK registered ship when it was outside the 1000 nautical miles from the coast of China.

14. Mr. Arora questioned whether there was any mechanism to monitor unauthorized retrieval of the LRIT data of Hong Kong registered ships. The Chairman explained that there would be provisions in the agreement to prevent any unauthorized retrieval and also regular audit would be conducted to monitor the operation of the system.

### **The issue of piracy attacks to merchant ships**

15. The Chairman reported that the 86<sup>th</sup> session of the MSC had approved a new circular on how to deal with piracy and armed robbery in waters off the coast of Somalia. A set of best management practices developed by a number of industry organizations had been included in the circular for shipowners information.

16. During the MSC meeting it was agreed that carriage of armed guards by merchant ships would be a policy for the flag State of the ship to decide. The flag state should take into account issues of liability and other legal implications in the formulation of such policy. However a number of States at the meeting raised concerns on the control if arms were to

be carried on board merchant ships that might enter into their EEZ or territorial seas.

17. MSC 86 also revised Circ. 623 – Guidance to Shipowners, Companies, Ship Operators, Shipmasters and Crews on Preventing and Suppressing Acts of Piracy and Armed Robbery against Ships. This Circular was to provide some general guidance against piracy not specifically referring to piracy off Somalia. The circular strongly discouraged the use of firearms as a counter piracy measure on board to avoid possible escalation of violence.

18. The Chairman stated that MD had all along not encouraged shipowners to employ any civilian arm guards other than national military personnel to protect their vessels against piracy.

19. Mr. KL Lee supplemented that according to the law of Hong Kong, armguards employed on board a Hong Kong registered vessel would be required to obtain a licence from the Hong Kong Police Force. Overseas arm guards who had not obtained such licence would not be able to operate lawfully on Hong Kong registered ships. It would be more appropriate for Hong Kong registered ships to join convoy protection offered by the Chinese naval vessels when transiting in the area.

20. IMO had also revised Circ.622, which provided recommendations to Governments as to what actions to be taken for Preventing and Suppressing Piracy and Armed Robbery against Ships. During the meeting it was reiterated that the safety of the passengers and crew must be of paramount importance in the consideration when taking counter piracy measures.

21. Mr. Arora raised the issue of use of fire hoses and the fire mains as a counter piracy measure. If these appliances were deployed, there might not be sufficient fire fighting equipment to combat a real fire. The Chairman explained that the use of fire fighting equipment as a counter piracy measure would depend on circumstances that might vary from vessel to vessel. The master should make a judgment and consider if deploying the appliances as a means to fight pirates might substantially affect the ability of the ship to fight a fire should it break out. Use of fire hoses to deter pirates should also not put the crew into undue risk.

22. Capt. Chan of OOCL shared his experience that their crew had installed barbed wire over the stern of their ships to prevent pirates from climbing onboard. In addition they also installed guard plates around the accommodation and provided night vision

binoculars on board for lookout. Mr. Arora and Capt. Pillai also shared their positive experience in joining the convoy service offered by the Chinese navy vessels.

#### **Agenda Item 4 – New SOLAS Amendments**

23. Mr. Jimmy Leung reported that on 4 December 2008, the 85th session of Maritime Safety Committee of the International Maritime Organization adopted resolution MSC 269(85) on SOLAS amendments as stated in Annex 1 and Annex 2 below, which shall enter into force on 1 July 2010 and 1 January 2011 respectively.

##### **Annex 1 (Enter into force on 1/7/2010)**

24. SOLAS Reg. II-1/2 & 5 - Intact Stability - MSC adopted the International Code on Intact Stability 2008. Part A of the Code was made mandatory through the resolution MSC 269(85), which amended the mentioned SOLAS requirements; and through resolution MSC 270(85), which amended the related Load Line requirements. Under both Conventions, new ships of a length of 24M and above, constructed on or after 1 July 2010 are to comply with Part A of the 2008 Intact Stability Code.

25. SOLAS Reg. II-2/9 - Fire Protection - New requirements for the following were adopted:

- Fire door and doorsill – All new and replacement fire doors will need to meet the requirements.
- Ventilation duct – Steel or equivalent material is required for construction of the ventilation ducts in ships built on or after 1 July 2010;

##### **Annex 2 (Enter into force on 1/1/2011)**

26. SOLAS Reg. II-2/1 & 19 - Dangerous Goods - The carriage requirements for certain classes of packaged DG had been changed. The list of DG permitted to be carried would need to be re-assessed and the associated document of compliance for carriage of DG re-issued. Existing ships (with some exceptions) will be required to comply the requirements not later than the 1st Renewal Survey of the Documents of Compliance on or after 1 Jan. 2011.

27. SOLAS Reg. VI/1-2 - New International Maritime Solid Bulk cargoes (IMSBC) Code - The new IMSBC Code superseded the existing 2004 Code and was made mandatory by the new SOLAS regulation VI/1-2. To facilitate the safe transport of solid

bulk cargoes, the provisions of the Code might be applied from 1 January 2009 on a voluntary basis until 1 Jan. 2011.

28. The Chairman supplemented that the more important amendments to SOLAS and its Protocol adopted at the 86th session of Maritime Safety Committee held last week were related to:-

- (a) prohibition on the use of asbestos (from 1 January 2011);
- (b) fitting a bridge navigational watch alarm system (BNWAS) (starting from 1 July 2011);  
and
- (c) fitting an Electronic Chart Display and Information system (ECDIS) (starting from 1 July 2012).

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

Mr. Y.M. Cheng reported on the following:

29. MARPOL Annex I – A revised DDI splitting the draft detailed instructions into two separate parts for regulating respectively local vessels and sea-going ships was submitted to THB on 10 November 2008. The revised DDI was being considered by the Department of Justice (DoJ). THB recently advised that they would commence the legislative amendment for Cap.413A in July 2009. MD had drawn the attention of the THB to possible problems if the new legislation could not be ready in time in respect of the phasing out of single hull tankers.

30. The Chairman mentioned that the legislation to give effect to MARPOL Annex I amendments was of particular concern to MD because of the need to phase out the single hull tankers from the Hong Kong shipping register. MD intended to enact this legislation by the end of 2009.

31. Mr. Bowring inquired into the reason for delay in bringing in local legislation to give effect to the MARPOL amendments. The Chairman explained that due to the large volume of amendments that had been made to different Conventions in the past years, backlog had been accumulating in the legislative timetable. In this respect Mr. Bowring requested MD for a list of outstanding legislation so that he could discuss with the relevant

authorities and assist to improve the situation.

32. Revised MARPOL Annex II – There had been no progress in the clearance of the DDI for the amendments to the Merchant Shipping (Control of Pollution by Noxious Liquid Substance in Bulk) Regulation, Cap. 413B.

33. Regarding the collection of waste of Class 1, Category 5, with flash point below 23 degree C, Environmental Protection Department (EPD) informed that the provision of such a barge to collect the waste had been included in their tender as one of the tendering requirements for the oily and chemical waste collection service in HKSAR. EPD would decide on the award of tender in October 2009. Once the tender was awarded, the chosen company would commence the work regarding the provision of the barge.

34. Mr. Arora inquired if the barge under tender would be able to collect the waste at flash point below 60 degree C under Annex 1 and Annex 2. He said there was no disposal barge for tanker residues with a flash point below 60 degree C in Hong Kong at present. The Chairman explained that the new requirements mentioned earlier in the provision of oil and chemical wastes collection service was intended for the purpose.

35. MARPOL Annex VI – On 10 October 2008, IMO adopted, by resolution MEPC.176(58), the amendments to MARPOL Annex VI which would enter force on 1 July 2010. SCC/138 was issued to consult SCC members last November on the views regarding our proposed implementation of the amendments to MARPOL Annex VI in the HKSAR. The proposal was endorsed by SCC members. As advised by China MSA in March 2009, the river / coastal trade vessels plying between HK and the Mainland would have difficulty in complying with the revised MARPOL Annex VI in respect of the Tier II engines for new buildings from 1 January 2011 due to insufficient number of engines meeting the Tier II requirement available in their local market. Currently, MD was consulting both Guangdong MSA and Shenzhen MSA on how exactly the situation the industry was facing before proposing the relevant amendments to existing local legislation to give effect to the revised MARPOL Annex VI.

36. Mr. Arora asked if the revised MARPOL Annex VI applied only to diesel engines but not to boilers. The Chairman explained that the emission of SO<sub>x</sub> would apply to both engines and boilers whilst the emission of NO<sub>x</sub> would only apply to internal combustion engines. Ships must not burn fuel that would produce emissions exceeding the limits set out in Marpol Annex VI.

37. Captain Chan pointed out that from 1 July 2009 ships staying in the port of the State of California would be required to restrict the emission of SOx not to exceed 1.5% when burning marine gas oil or 0.5 % for marine diesel fuel in boiler as well as ships' engines. There could be potential safety hazards when using low sulphur fuel as this type of fuel was more volatile and might cause leakage and boiler explosion. The Chairman advised that engineers had to handle fuel of low sulphur content with extra caution and had to purge the boiler thoroughly to clear the explosive atmosphere before ignition. Mr. Bowring also cautioned that modification of engines would affect emission quality in particular the NOx content.

### **Agenda Item 6 - Maritime Labour Convention 2006 (MLC 2006)**

38. Mr. Y.M. Cheng mentioned that since the Tripartite Working Group (TWG) was formed in January 2007, six meetings had been held. The TWG report which contained the outcome of the six TWG meetings was sent to the Seafarers Advisory Board (SAB) for their endorsement in December 2008. The TWG report was later discussed in the meeting held by the SAB in February 2009. All SAB members endorsed the report in general except the member from Amalgamated Union of Seafarers, Hong Kong. The Chairman of SAB considered that members supported the outcome of the TWG and MD could commence drafting the legislation to give effect to the MLC, 2006. MD aimed at having all the amended and new regulations in place by 2010.

39. The Chairman stated that the draft legislation had been given priority in the legislative programme. MD expected that the draft legislation would be in place by 2010, to allow acceptance of the Convention both by the Mainland and HKSAR at the same time. The Convention might come into force internationally around 2011.

40. Mr. Bowring stated that they were working with the Classification societies on gap analysis to see how their ships could comply with the MLC provisions. He wished MD could provide indications on how Hong Kong registered ships might meet the requirements under Part II of the Declaration of Maritime Labour Compliance to allow shipowners to be better prepared when the MLC provisions came into force.

41. The Chairman stated that the SCC Committee would be kept updated on the progress of preparing the new legislation. He further mentioned that the issue on how the

MLC would be applied in HKSAR would become clearer by either the end of 2009 or the latest the first half of 2010. MD would try to provide shipowners the relevant information as early as possible.

42. Mr. YM Cheng briefed the members that the three Branches of social security needed to be identified to meet MLC requirements. MD was considering to have (i) unemployment benefit; (ii) old-age benefit; and (iii) invalidity benefit as the items to be adopted for the purpose of meeting MLC 2006. MD would ask the Department of Justice to see if these three branches of social security could meet the relevant requirements of the convention during the drafting of legislation.

### **Agenda item 7 – Voluntary IMO Member State Audit Scheme**

43. Mr. Jimmy W.H. Leung reported on the Voluntary IMO Member State Audit Scheme. So far a total of 29 countries had been audited, 21 administrations including Hong Kong were waiting for the audit to be carried out. For Hong Kong the audit had been scheduled on March 2010. MD would finalize the agreement with the IMO and start to prepare the audit soon.

### **Agenda item 8 – IMO Diplomatic Conference for the adoption of the International Convention for Safe and Environmentally Sound Recycling of Ships (The Conference)**

44. The Chairman reported that the Conference had been held in mid May 2009 in Hong Kong. Positive feedback was received from the delegates congratulating on the success of the meeting. The delegates and IMO staff who came to provide support to the Conference were also impressed by the arrangements and hospitality. The Conference should have promoted the image of Hong Kong as a maritime centre. As a token of appreciation to the efforts put forward by the Hong Kong SAR Government, the new Convention was now known as the Hong Kong International Convention for Safe and Environmentally Sound Recycling of Ships (The Hong Kong Convention).

45. Mr. Bowring expressed his appreciation to the efforts of the Governments of China and Hong Kong SAR in organizing the Conference.

46. Mr. YM Cheng reported that the Hong Kong Convention was for regulating the design, construction, operation and preparation of ships to facilitate safe and

environmentally sound ship recycling, ensuring the operation of ship recycling facilities in a safe and environmentally sound manner and the establishment of an appropriate enforcement mechanism for ship recycling, including certification and reporting requirements. It consisted of 21 Articles, 25 regulations with 7 Appendices and 6 resolutions. The Convention would enter into force 24 months after the date on which 15 states, representing 40 percentage of the world merchant shipping by gross tonnage have ratified the convention and their combined maximum annual ship recycling volume must, during the preceding 10 years, constitute not less than three per cent of their combined merchant shipping tonnage.

47. The Chairman supplemented that although it would take some time before the Convention could come into effect, countries were encouraged to take all necessary measures where appropriate for advance implementation of the requirements with a view to improving the situation present in some of the recycling yards in a number of countries.

48. Mr. YM Cheng stated that the guidelines for the development of the Inventory of Hazardous Materials on the quantities and location of hazardous materials contained in ship' structure or equipment were under preparation and would be adopted in the MEPC 59 in July 2009. Mr. Bowring mentioned that industry was developing transitional measures and updated guidelines for shipowners who wished to comply early on voluntary basis.

## **Agenda Item 9 – Implementation of the International Convention on Liability and Compensation for Bunker Oil Pollution Damage in the HKSAR**

49. Mr. Y. K. Li stated that the Executive Council cleared the Bunkers Convention bill on 9 June 2009. The bill would be published in the gazette on 12 June 2009 and tabled to the Legislative Council on 24.6.2009 for first and second reading. Hong Kong was expected to ratify the Bunkers Convention towards the end of this year. At the time of meeting there were 39 state parties denoting a 75.5% of the world tonnage, including China, had ratified the Convention. The Convention entered into force on 9 March 2009. After the Bunkers Convention was extended to Hong Kong, the Marine Department or the authorized Classification Societies would be able to issue the Hong Kong Bunkers Convention Certificate for our shipowners. Shipowners however might continue to use their existing Bunker Certificates issued by other state parties until the date of expiry.

50. With a view to meeting the Government's full-cost recovery principle, the application fee for the bunkers convention certificate issued by the Marine Department was

proposed to be HK\$ 535, which was the same as that for the CLC certificate. The proposed fee was included in paper SCC 141 which had been sent to the members for consultation.

51 Mr. Bowring inquired if MD would accept the electronic blue card. Mr. KL Lee replied that MD had carried out studies with the insurance companies on the use of electronic blue card and, in principle, MD would not reject the submission of electronic blue card. The Chairman supplemented that, if authenticity of the document could be checked and ensured, use of electronic means should be able to facilitate the business operation of shipowners.

52. Mr. Shum mentioned that the proposed fee for the Bunkers Certificate was a bit expensive. He said the United Kingdom charged only 16 pounds for a certificate. Mr. Arora also opined that since there would be more ships applying for Bunkers Certificates than the CLC, the administrative cost for the certificate should be less. The Chairman stated that, if necessary, MD would review the fee level and reduce the charge if found justified. He invited members to put forth their views in response to the consultation paper SCC 141.

### **Agenda item 10 - Implementation of the International Convention on the Control of Harmful Anti-fouling Systems on Ships in the HKSAR**

53. Mr. Y.M. Cheng reported that there was no progress on the drafting of the regulations since last meeting as the Transport and Housing Bureau (THB) indicated that they would only consider to handle the proposed legislation at a later stage.

54. Mr. Bowring pointed out that it was yet another example of delay in the enactment of the Merchant Shipping Legislation. The Convention on the Control of Harmful Anti-fouling Systems was adopted in 2001 and nothing had been done since then. The Chairman mentioned that, in view of the heavy legislative workload, MD could not include the Convention into its programme unless it was something really urgent. He stated that MD would try its best to include this Convention into the 2010 year legislative programme.

### **Agenda Item 11(a) – Matters relating to the Hong Kong Shipping Register (HKSR) \_ HKSR statistics**

55. Mr. K.F. Chick reported on the Hong Kong Shipping Register. The statistics

revealed that it still maintained a rising trend but slowed down in the last two months due to the recent financial crisis. Despite the crisis there was still some growth in the Hong Kong shipping register and the registered tonnage was over 41 million.

56. Mr. Harry Chan expressed his concern about unavailability of service due to unexpected closing of the Hong Kong Shipping Registry office as the delivery of a ship would not be possible if the registration formalities could not be completed. Mr. Chick stated that there were obstacles to be overcome in providing registration services under some exceptional circumstances, for example, when typhoon signal no. 8 was hoisted. The Chairman mentioned that the use of VPN could provide direct access to the database even an officer was at home and could not go back to office. In response to the enquiry of Mr. Harry Chan, Mr. KL Lee replied that there was no law in Hong Kong on suspension of registration service due to unexpected closing of office. He stated that MD would study the issue and give a reply as soon as possible.

Post meeting notes:

“The registration of a vessel is a formal process with legal bearing. Technically, it is possible to work at home. However, working at home violates the security and control set up by the government in meeting its legal obligations. Therefore, all office transactions must be carried out in the office using the office equipments to meet the security and control requirements.

We have had a number of correspondences in October 2008 with JSM on the subject. JSM admits that there should be no legal dispute arising between the seller and the buyer because a force majeure event such as a typhoon will permit either party to avoid the obligation to deliver or to remit the delivery. All the parties accept that delivery can be delayed.

For the issue of post dated Certificate of Registry (C/R), the registration status of the vessel is updated automatically by the computer at the very last minute of the date printed on the C/R. Therefore, the registration vacuum in updating our records in the computer does not exist. This record will be revised further after the register has received the protocol of delivery and acceptance (PDA). A new C/R is issued accordingly immediately to the owner.”

## **Agenda Item 11(b) – Flag State Quality Control (FSQC) and Pre-Registry Quality Control (PRQC) Statistics**

57. Mr. H.M. Tung reported on the Quality Assurance Inspections of HK ships in the Annex 2 of the statistics table. There were a total of 48 FSQC inspections of ships in 2008, 10 ships of which were carried out after detentions under PSC. The result of the FSQC inspections showed that about 64% of the ships were found in satisfactory condition. For those ships graded less than satisfactory, MD had instructed the concerned classification societies to take necessary follow up actions and report back to MD. As regard to PRQC, 10 inspections had been carried out and the ships were accepted for registration in Hong Kong after receiving confirmation from the classification societies that the deficiencies identified during the inspections had been rectified. 1 company visit and 1 Conditional Assessment Scheme had been conducted in 2008.

58. During the first 5 months of 2009 there were a total of 17 FSQC inspections. 6 ships were carried out subsequent to detentions under PSC. The result of the FSQC inspections showed that about 70% of the ships were found in satisfactory condition. As regard to PRQC, 2 inspections and 1 company visit had been conducted during the period.

## **Agenda Item 11(c) – Detention of HK Ships and Related Statistics**

### **Agenda Item 11(d) – Detention of HK Ships on Security Ground**

59. Referring to Annex 1a of the statistics, Mr. H.M. Tung reported that MD had successfully appealed to the US on one detention. Taking it out from the detention record there were a total of 51 ship detentions under various MOUs in 2008. These detentions included 26 ships under the Tokyo MOU, 17 out of which were detained in Australia. 9 under the Paris MOU, 9 under the Indian Ocean MOU, 5 ships were detained by the USCG of which 2 were on security ground, 1 under Mediterranean MOU and 1 under Latin American MOU. Details of detention were defects relating to fire safety, life saving appliances, general safety issues, ISM and Loadline. Shipowners were advised to pay special attention on these defects.

60. Mr. Tung advised that the Hong Kong registered ships still encountered very strict PSC inspection in Australia ports in 2008. The ship operators should take special attention when their ships sailed to Australian ports. The recommendations given in MD circular letters to avoid PSC detention were still valid. The ship operators and their masters were recommended to take all the suggested measures on board. MD recently circulated a letter together with some guidelines on the forthcoming Concentrated Inspection Campaign

(CIC) on lifeboat scheduled to take place from 1.9-30.11 2009. The circular provided guidance for preparing for the CIC exercise. Any serious deficiencies found in lifeboats would likely cause detention in the CIC.

61. Regarding the Qualiship 21 status, Mr. Tung reported that the three-year rolling detention rate was reduced from 1.1% to 1.02%. With the reduced rate Hong Kong should still be able to maintain Qualiship 21 status for the year of 2008 (subject to confirmation). However, Mr. Tung pointed out that Hong Kong registry had recorded a high detention rate ( 8 detentions ) in the US in 2007. Although there was no detention in 2009 so far, it would still need shipowners' cooperation in maintaining good quality standard for their ships to keep a low detention rate for the three year rolling between 2007-2009,.

62. MD has successfully appealed another case in Australia in early 2009. Taking it out from the detention record there were a total of 14 ship detentions under various MOUs during the first 5 months in 2009, comparing with 19 detentions for the same period in 2008. The 2009 detentions included 9 ships under the Tokyo MOU, 5 out of which were detained in Australia, 4 under the Paris MOU and 1 under the Indian Ocean MOU. Deficiencies in life saving appliances, safety of navigation, fire safety, pollution and ISM were the major factors causing detention.

### **Agenda Item 11 (e) – HK Ship Accidents and Casualty Statistics**

63. Mr. H.K. Leung drew the attention of members to the casualty statistical table of the Hong Kong registered vessels. He highlighted a serious accident of engine room fire from the statistical table. The accident killed 2 crewmembers in the engine room and the third one in the lifeboat. The investigation revealed that a small fire had first occurred near the oil mist detector inside the engine room. The ship staff somehow injected CO<sub>2</sub> into the engine room with the 2 crewmembers still inside. As the case was still under investigation, it was not known if death of the two crewmembers was caused by fire or CO<sub>2</sub> suffocation. The crew was probably in panic when the fire broke out. They injected CO<sub>2</sub> into the engine room and abandoned the vessel. The third crewmember was killed in the process of lowering the lifeboat. Although the actual cause of the accident was not yet known, prima facie evidence revealed that there was insufficient training for the crew to deal with emergency situations. After the accident MD sent surveyors to the vessel as well as the ship's management company to undertake investigation.

64. Mr. H.K. Leung stated that over the past 4 years, collision remained the major

cause of accident to Hong Kong registered vessels. Analysis showed that the contributory factors to these collision incidents were mainly inexperienced watch-keeping navigational officer and defective bridge resource management, in particular, improper use of VHF radio in close quarters situation. The Chairman supplemented that the shipowners should advise their masters to ensure that the officers on watch were competent enough to handle various situations to avoid collision. If the officer was inexperienced or might not be capable to handle certain situations independently, the master should be present on the bridge to ensure safe navigation.

## **Agenda item 12 – Any Other Business**

### **Updating of Fees Reduction Measures**

65. With regard to the fees reduction measures discussed at the last meeting, Mr. KL Lee mentioned that the THB had decided to take up all MD's proposals on fees reduction instead of only adjusting the cap of the Annual Tonnage Charges (ATC), that is to say to reduce the maximum Annual Tonnage Charges (ATC) from \$100,000 to \$77,500 as well as the licensing fee and other minor charges. THB had submitted the proposals to the Legco for negative vetting and if everything went smoothly, the new fees would be implemented from the 10 July 2009.

### **Manning Requirement**

66. Captain Kashyap queried the requirement of an extra engineer onboard Hong Kong registered ship. The Chairman explained that MD had well established policy to determine the manning level of Hong Kong registered vessels. The policy took into consideration the shipowner's needs and the particulars of a vessel. MD's minimum manning policy followed the IMO guidelines for safe operation of vessels without imposing extra requirement.

### **Wireless Broadband Access (BWA) in Port of Hong Kong**

67. Mr. Arora inquired about the status of the availability of Wireless Broadband Access in the port of Hong Kong. The Chairman replied that MD had discussed with OFTA for the possibility of including the provision of the WIMAX service in Hong Kong into the new network license. However, due to OFTA's telecommunication policies, it was not possible to include the proposed coverage requirements as a license obligation for the time being. However MD would continue to talk to OFTA and to convince the network

operators the business opportunity in the provision of such services in the Hong Kong waters.

68. The Chairman stated that if members considered necessary they could also put forward the proposal to the MD management direct. He further suggested that the Port Development Council should be a more appropriate forum to discuss the issue than the SCC, since it was more related to the enhancement of services in the port of Hong Kong.

### **Electronic Chart**

69. Mr. Bowring asked whether keeping non-compliant Electronic Chart System (ECS) on board ships could be permitted if that equipment was clearly marked 'not to be used for navigation'. The Chairman said that MD had to study the issue in more detail before formal advice could be given to shipowners.

Post meeting notes:

Electronic Chart System (ECS) not conforming to the IMO performance standards for ECDIS may be kept onboard ships, provided that:

- the vessel maintains an appropriate up-to-date folio of paper nautical charts, or type-approved ECDIS with backup arrangements, for the intended voyage.
- the ECS equipment not of approved type or conforming to the IMO performance standards must be marked as such and not be relied on for navigation or monitoring of the ship's position.
- written procedures are in place and followed by all officers to ensure that only appropriate charts (including type approved ECDIS) are used in navigation.

### **Recognition of Certificates under STCW**

70. Mr. YM Cheng reported that on 22 April 2009, a bilateral undertaking was signed between HKSAR and the Commonwealth of Dominica. On 8 June 2009, the existing unilateral undertaking signed with the Netherlands in 2002 to allow the Government of the Netherlands to recognize Hong Kong Certificate of Competency, was extended to the Netherlands Antilles, a dependent territory of the Kingdom of the Netherlands.

71. Mr. Chick advised the members that a circular would be issued soon regarding the reduction of the ATC, licensing fee and other minor charges.

72 Mr. Arora asked if MD had taken up the issue which he had previously raised regarding double charges for the renewal of licence and the ship security officer certificate. The Chairman replied that MD would look into the issue to see what could be done to combine the two charges.

Post meeting notes:

“The charging of \$140 for the endorsement on the officer’s licence with Certificate of Proficiency (CoP) for Ship Security Officer (SSO) is only a temporary arrangement for those who can obtain their CoP by possessing experience as permitted under Reg. VI/5 of STCW 95 Convention. After 30 June 2009, all licensed SSO must be trained by an approved course before the officer can become an SSO. We recognize CoPs for SSO issued by other convention countries as listed in the MD website. It is not necessary for us to issue a new CoP for SSO to these licensed officers for them to work on Hong Kong registered ships.”

73. Capt. Pillai reported to the members regarding a mal-practice of the PSC officers in Argentina in which unreasonable deficiencies were issued to one of their vessels and bribery was demanded from the ship’s officer.

### **Close of Meeting**

74. As there was no other business, the meeting closed at 5:20 p.m.