

REPORT FROM TANKER OPERATOR CONFERENCE – APRIL 18 2007, DUBAI

Tanker Operator's one day conference in Dubai on April 18, with speakers from Emarat Maritime, NYK Line, Mid East Shipmanagement, Vela, Oasis Maritime, International Tanker Management and ABS, was the scene of much lively discussion about how the tanker industry is evolving.

The principal sources of concern continue to be demands from oil majors, scarcity of competent seafarers and the threat of criminalisation of seafarers.

As far as demands from oil majors go, tanker operators are particularly worried about demands that seafarers should have spent a certain amount of time in rank before working on a tanker chartered to an oil major, and also that they must have spent a certain amount of time with the company.

It is easy to see how hard this is to achieve logistically, particularly for tanker companies which mainly charter out to oil majors, because they can never promote people; it is also hard for new tanker companies.

When confronted on these issues, oil majors always promise to be flexible, and take a closer look at how a company operates as an alternative means of assessing its suitability for charter than looking at how much time the seafarers have been at their current ranks.

According to Ranjan Mookherjee, operations manager of International Tanker Management, some oil majors have been explicit that they will not be choosing ships for charter just by number crunching. The numbers are just as a guide.

But do tanker operators believe them? There is also a lot of talk about oil majors assessing tanker operators by feeding all of the data into computer software which determines which is the best tanker company to go for.

If you're a third party shipmanager, you may as well forget about trying to be anything other than level 0 in the TMSA environmental management section, said Mr Mookherjee. This is because third party shipmanagers have no control at all over how the ship is scrapped, and this must be one of biggest environmental factors of operating a ship, he said.

The threat of criminalisation of seafarers continues to be a stinking issue, with most conference delegates saying they would not recommend that their own children go to sea, if they would face the threat of criminal action without a proper trial, as seafarers do.

Tom Allen, a US citizen currently serving as commercial and support manager with Vela International (a tanker company owned by Saudi Aramco), said he had been extremely critical of his own countrymen at a recent Mare Forum conference in New York.

Mr Allen said he was pleased by the response he received from the US Coastguard, saying that they recognised the problem.

But still, it is outrageous that after an accident, seafarers seem to get different rights from the citizens of the countries they are suspected of harming.

Mr Allen suggested that an international seafarer bill of rights, put together on an international basis like the rights of refugees, is 'long overdue'. I don't think many readers of this magazine would disagree.

Duncan McKelvie, area representative of NYK Line, pointed out that the issue is in no means limited to the US and EU; he cited an example from the Middle East, when a seafarer had a heart attack, fell down some stairs, and 15 seafarers spent the night in jail suspected of murder.

The criminalisation is certainly a safety issue, in that people who might have the skills and abilities to run tankers safely might be persuaded to seek a career elsewhere. So there is no reason why the International Maritime Organization should not get involved.

Captain Ravi Dey, Emarat

Captain Ravi Dey, manager of tanker operations and designated person ashore (DPA) with Emarat Maritime, said he thought that the industry has definitely improved over the past few years. "We don't see any more poor condition tankers plying around," he said.

However like many in the industry, Captain Dey does not see due credit from the public for its efforts. "What people see on the TV is what we do wrong, not what we do right," he said.

"We are projecting the wrong image to the world - as an industry that damages and not an industry that builds," he said.

"Tanker owners need to join forces and ensure that oil travels first class," he said. "Maybe we can meet in Dubai 2/3 times a year and solve problems on the track to excellence."

Captain Dey said that he has had discussions with oil majors, one of them who stated that ship staff had to be with the company for 2 years, which was impossible considering the fact that Emarat Maritime is only one year old. "To consider our tanker for their business we would have to invite them to audit our office," he said.

Captain Dey explained that at Emarat Maritime, the management believes in operating the vessel to the highest standards and eradicating the blame culture.

"Once you have the commitment from the top it has a cascading effect," he said.

The company organises crew into different groups, who take periodic safety rounds of the ship, with 60 to 70 checks to ensure that all safety matters are in order.

"Building crew loyalty is of utmost importance," he said. "We want crew to return to the vessels again and again. You care for your people and they stay with you."

The critical issues are "fatigue, stress, loneliness and boredom. The crew must be provided with means to help them relax," he said.

One tip from Captain Dey was not to go too far with posters onboard ship. "If I put up 100 posters, no-one will read it. If you put up just a few 1 posters, people will read it," he said.

Captain Dey said he defined a risky job as “anything which is out of the ordinary routine work.”

Capt Duncan McKelvie, NYK

Capt. Duncan McKelvie, area marine representative, NYK Line Dubai office, spoke about NYK Line’s commitment to social responsibility (CSR).

NYK Line operates 720 ships, which counts as 1.5 per cent of the world fleet. Some of the 720 are chartered in.

NYK’s emphase on CSR grew from the company’s “cultural tradition of honourable dealing,” he said. It has been looking for ways to improve its social responsibility for many years, for example establishing a fuel economy committee in 1977.

“This company takes the shipowners view, it is the long view, never shorter than 5 years,” he said.

NYK Line defines corporate social responsibility as integration of the interests of all stakeholders, including employees and the communities.

“Warren Buffet giving \$31bn to Bill Gates foundation is absolutely laudable, but its philanthropy, not CSR,” he said.

“CSR is an ongoing process - a commitment generated for the company from the management down.”

Typical CSR projects NYK Line implements includes reforestation projects in countries of the world which the company carries woodchips from, and projects for seafarer’s children.

Captain McKelvie said that the complexity of the shipping industry can be used against the industry, for example after the Sea Empress incident, when people pointed out that it was crewed by Russians and spilled in Wales.

On the issue of SIRE inspections, Captain McKelvie said, “we endorse anything that contributes to maritime safety, and that includes SIRE.”

“We’re quite ready for the inspections. They take up a lot of time but they don’t perturb us too much.”

“Seafarers admit, the inspector has a different perspective.”

The biggest enemy of safety, Captain McKelvie said, is the “enemy within - eg an accountant or an auditor - a myopic sort of chap - who only sees this weeks figures. This is a big enemy in shipping,” he said.

“It’s important that everybody has maritime knowledge and maritime experience.”

Captain McKelvie said he thought that the main reason the quality of tanker operations has improved in recent years is because owners have been forced to improve, due to regulations.

SIRE is another form of “policing from the outside,” he said.

“Until owners start doing better policing from the inside, there will be a SIRE,” he said. “There will be more and more inspections.”

Captain McKelvie talked about the informal tanker operator’s safety forums which he participates in.

The latest event was the 119th meeting, and there are three meetings every year. “It works - everyone trusts each other and they are very honest,” he said.

“Early on - they ejected the oil majors because they couldn’t talk freely. Now people can say ‘we had a shocking accident and the cause was..’”

Delegates to the forum often say that their accident investigations found that no risk assessment was carried out, and the cause of the accident is traced to commercial pressure, he said.

Mohammed Javed, Mid East

Mohammed Javed, quality, health, safety and environment manager with Mid East Shipmanagement, said that the company, like everybody else, is “trying to find answers to the issue of paperwork.”

“We have masters tied to their desks and unable to perform what they are paid for.”

Mr Javed had compliments and complaints about SIRE. “SIRE has contributed in a very big way to the safety of the tanker industry. But there’s a long way to go,” he said. “They seem to be so subjective.”

Recently the company had a problem arranging for a SIRE inspection for a brand new VLCC, which was engaged in lightering operations in a far flung part of the world which took 18 hours to reach in a launch, with no helicopter services available.

“We do see improvements in SIRE, in the way inspectors are advised to look at things, and I hope that’s put into practise soon,” he said. “I wish all inspectors were more objective.”

“When TMSA was first introduced, I was a hardcore sceptic, I said, ‘oh dear, here’s another one’,” he said. “As it progressed, I’m a firm believer, TMSA has done a great job.”

The company completed its first TMSA submission in July 2005, did its first revision in July 2006, and had its first oil major audit in November 2006.

While the company has strived to be absolutely honest in its TMSA submissions, there have been times when the company found that oil majors were looking at certain requirements slightly differently

Currently the company fully qualifies with level 1, and has a target to achieve level 2 in the next 12 months, he said.

Like many other tanker operators, Mr Javed lamented the lack of dialogue between oil majors and tanker companies. “There should be a platform where we can talk to them,” he said.

Mr Javed said he was scared about what could happen in the next few years due to the shortage of seafarers and people with seagoing experience.

It is very important that shipping company offices have people with shipboard experience, if they are called upon to assist in an emergency. "Unless you have been in an emergency situation, how can you help the captain," he said.

Mr Javed said he thought that "it won't be long" before ISM is replaced by TMSA, replacing the standard shipping reactionary culture with a self-assessment culture.

Capt Subroto Ghosh, Oasis Maritime

Capt Subroto Ghosh, manager fleet operations, Oasis Maritime, said that it is ironic that while the maritime industry is going through unprecedented growth in the number of vessels being built, it is still not undertaking adequate long term measures to recruit & foster career growth of the number of seafarers able to man them.

"It is time for a paradigm shift in maritime human resources, from the "Manufacturing Process" to the "Agricultural Process" of nurturing Human Resources, he said.

There are many good reasons to be a seafarer today; the industry is booming, there is a big demand for Crew, and shipping companies are offering handsome wages and trying to take a long term view on human resources, he said.

"Experienced professionals are in demand for many shore assignments, with eg shipowners / managers, class, training institutes, regulatory bodies, dry docks, ship repairers, shipbrokers," he said.

"Numerous employment opportunities has accentuated high crew turnover, with negotiable wages / benefits."

However on the downside, crew performance is largely dependent on the ability to overcome fatigue, boredom and stress, he said. Crew demand is subject to cyclic variations. Crew can be subjected to 'blame culture' and criminalisation. Crew training programs are mostly driven by regulatory requirements.

Crew face a lack of recognition, security and sense of belonging, he said. In one study, it was found that these three factors are more important to people than working conditions.

Seafarers may have limited career growth prospects, and there are often other career options which are more lucrative, financially and socially, over the longer term.

Captain Ghosh noted that there is nothing new about the pursuit of excellence; even Aristotle had something to say about excellence, saying it is "not an art but a habit," and "we are what we repeatedly do."

The best way to help seafarers is by creating a "supportive, empathetic atmosphere, for inspiration, empowerment and motivation," he said.

It is important to have a culture where if someone's skills are not up to scratch, colleagues try to help the person improve them, rather than reporting him to the company management.

Captain Ghosh cited the 7s model for excellence, covering "style, staff, skills, strategy, shared values, structure, and systems.

"Most successful companies work on the soft issues - style, staff, shared values, skills," he said.

"TMSA liberates an organisation from an autocratic approach," he said.

“Ship crew must be employed, treated to promote a feeling of recognition and belonging,” he said.

“You have to train crew to tackle not only fatigue, but also boredom. Boredom is tiredness of the mind. How about contemplating on measures for encouraging crew to take up yoga?”

Ranjan Mookherjee, ITM

Ranjan Mookherjee, operations manager, International Tanker Management, raised the question which the industry does not want to answer. “Is TMSA a method for oil majors to evaluate and rank ship operators?”

Mr Mookherjee had his own answer. “If your numbers are not in line, there’s no time charter,” he said. “Maybe you’ll have a spot charter once in a while.”

The 12 indicators in TMSA, he said, “were handed out to you by ExxonMobil.”

“TMSA will evolve over time, I’m sure, like vetting,” he said.

“There are some very good things here - but it is a performance evaluation,” he said.

ITM uses a rule of thumb that it will have one major incident for every 600 near misses, he said.

The company is currently trying to determine how much control it should impose on vessels from the office, and how much should be given to the master and chief engineer.

One problem in recent years has been the enormous explosion in communications people have to deal with. “A cc doesn’t cost anything,” he said. “I blame ISM for this totally.”

ITM conducts one internal audit and three visits by superintendents per ship per year.

“There is no alternative to visiting vessels,” he said. “The management visits to the vessel are very important.”

Mr Mookherjee said that the company manages shipboard paperwork, in part, by using software tools such as Ulysses Systems Task Assistant, which can automatically present ship staff with the relevant sections from the manuals they need when they need it, rather than buying them under an impossibly big pile of manuals they are expected to read.

“We spend a lot of money giving these tools to the ships,” he said.

Steve Blair, ABS

Captain Steve Blair, head of Safety, Environmental & Security Certification ABS Europe, American Bureau of Shipping, talked about how the standard of operating tankers is being gradually increased from ISM through TMSA.

He quoted Bob Malone, who, when head of shipping with BP two years ago, said, “we are raising the bar for all of you and ourselves.”

“Oil majors have a top tier of people who operate to oil major standards and do not require additional policing,” he said.

The ISM system “achieved a lot,” such as improved awareness of rules, and forcing the creation of a number of management systems, such as internal audits, system reviews, emergency preparedness and non conformity reports, he said.

Captain Blair said he could divide shipping companies into three groups, gainers, complainers and painers.

“The gainers used it to improve operational performance,” he said. “The complainers saw no immediate benefits and complain about the paper chase. The painers managed to obtain certification but still struggle to meet minimum requirements.”

Answering questions about exactly when shipping companies should conduct risk assessments, Captain Blair said there could be no hard and fast rule.

“You could look at it from the point of view of, how do you satisfy an oil major inspector,” he said.

One delegate noted that many risk assessments comprise ticking a list of checkboxes, and nine times out of ten, the checklist is completed after the job is done.