

# Achieving best practise in tanker operations

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## Some issues to address

- What is quality in tanker operations?
  - Which characteristics and what value, to whom?
- How can quality be verified and communicated?
  - Collating and presenting relevant, reliable & comprehensible information
- How to encourage and reward?
  - Establishing effective drivers towards continuous improvement

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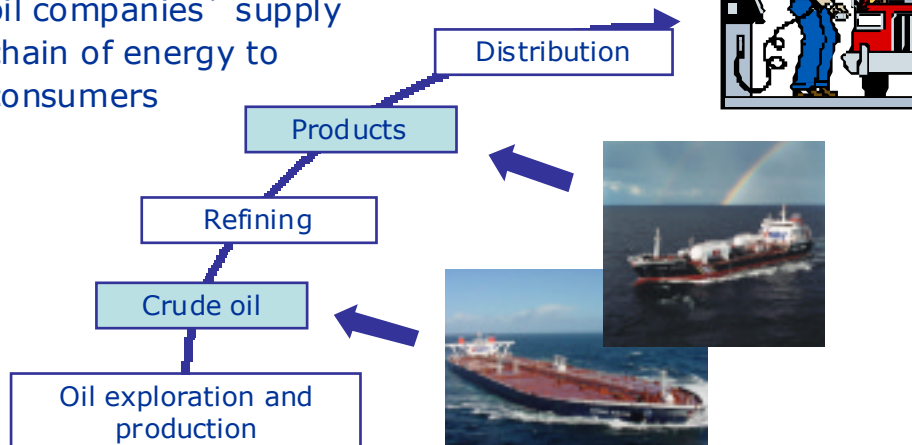
# What is quality?

The Oxford Guide to the English Language:  
" Degree or level of excellence,  
characteristic, something that is special  
in a person or thing"

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## The role of oil tanker transportation

Integrated links in the  
oil companies' supply  
chain of energy to  
consumers



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## Consumer Brands

to protect and support

**ExxonMobil**



Trademarks with combined sales of  
about USD 1000 billion per year

## The Power of Public Perception

The Public are people

Who are:

Consumers

Share/fund holders

Voters

Who Determine:

Ø Sales/Market share

Ø Share prices

Ø Political agenda/  
Legislation

And act rapidly based on their  
values and perceptions

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What if this could be the public image of oil transportation?

The arteries of modern society



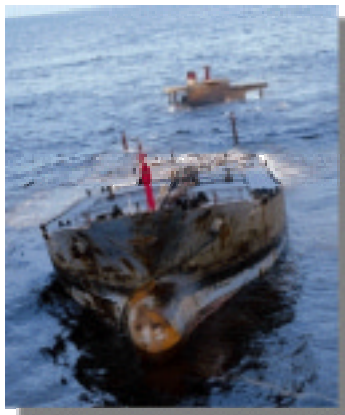
Moving some  
10 000 000 000 000  
tonnemiles  
of oil products per  
year ...



... vital to transportation,  
heating/cooling,  
manufacturing, etc

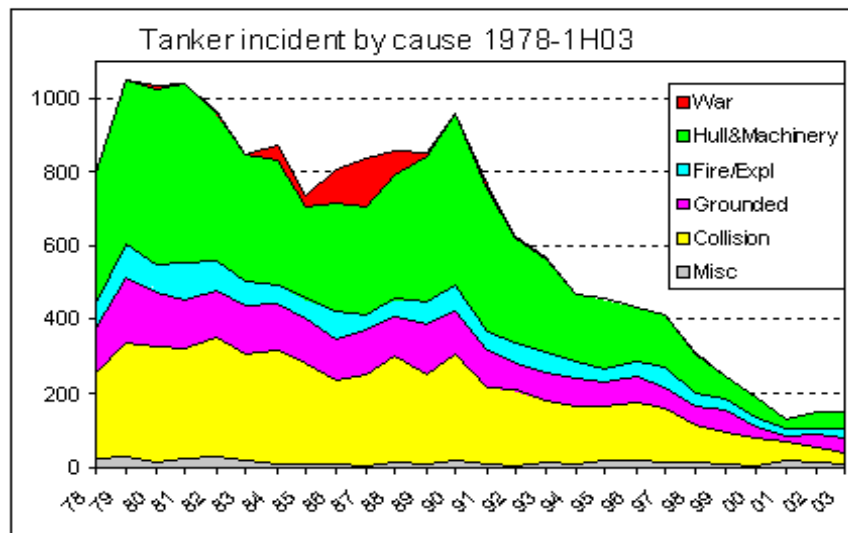
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Rather than this .....?



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## Tanker Safety – improving



Still...

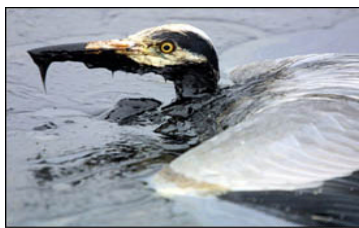


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## March 29, 2001 - Collision Baltic Carrier & Tern



A new ship with ...

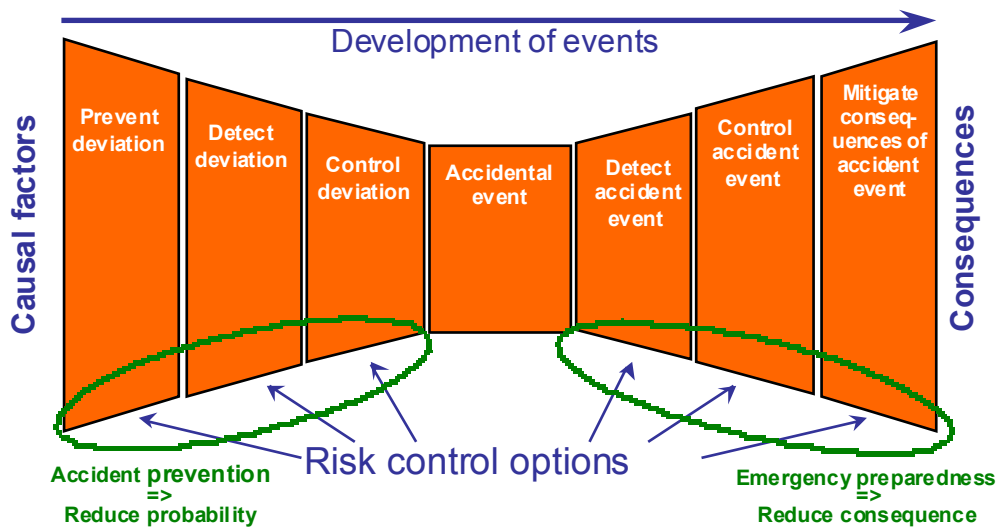


... double hull is no guarantee

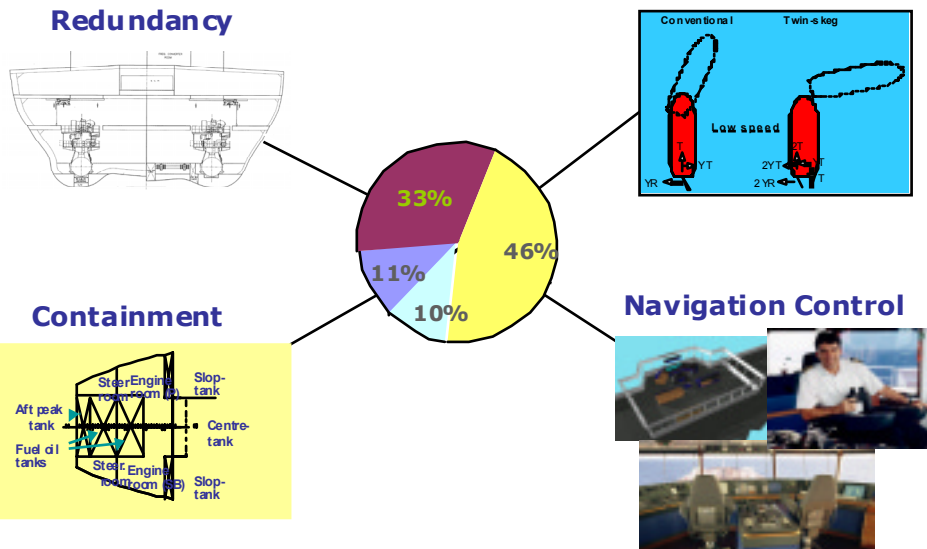
(c) 2001 Reuters

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## The concept of risk reduction

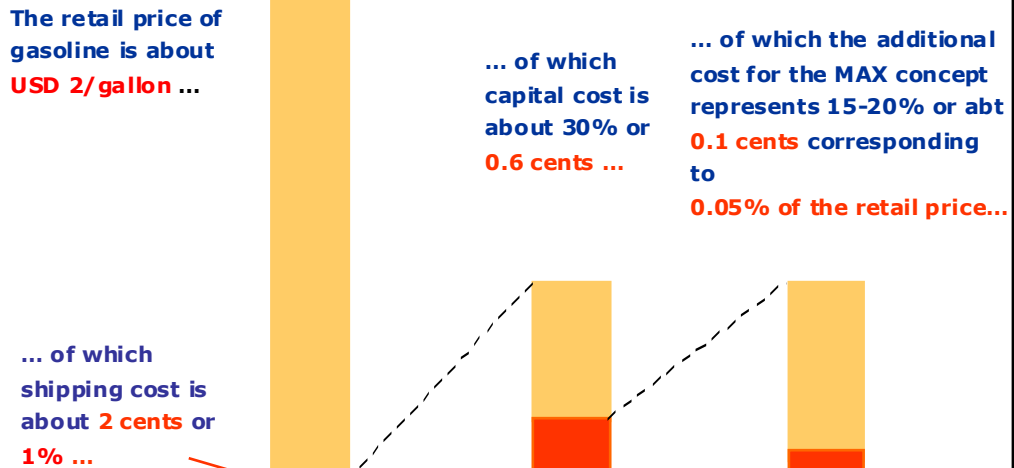


## Example: Main Risk Reduction Features of the Stena MAX-Concept



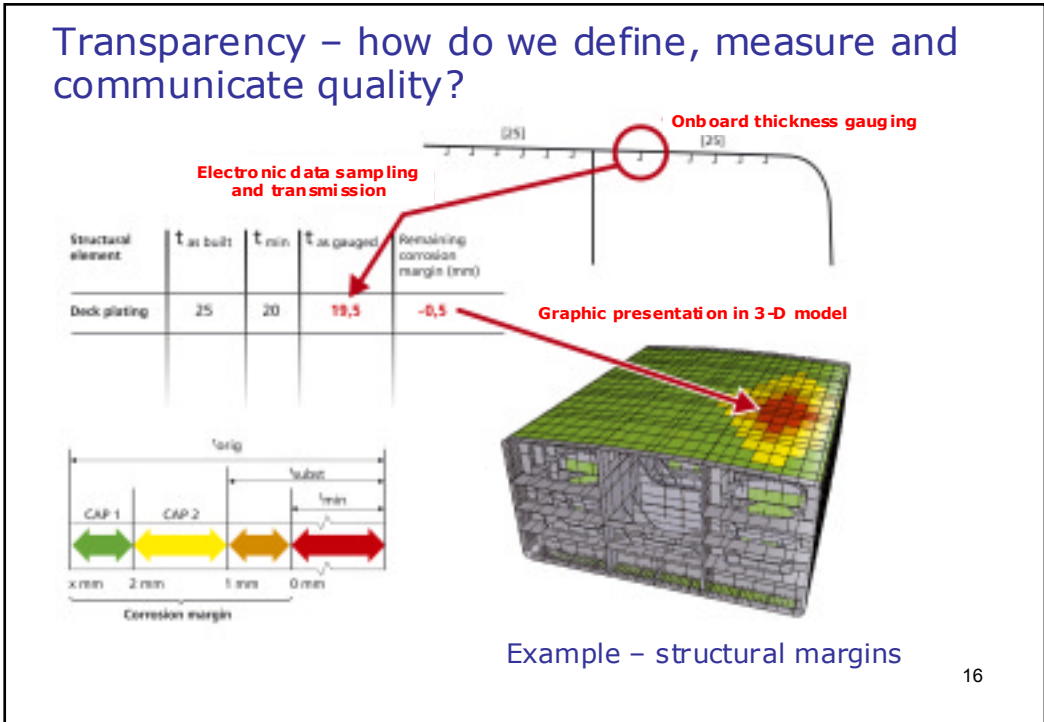
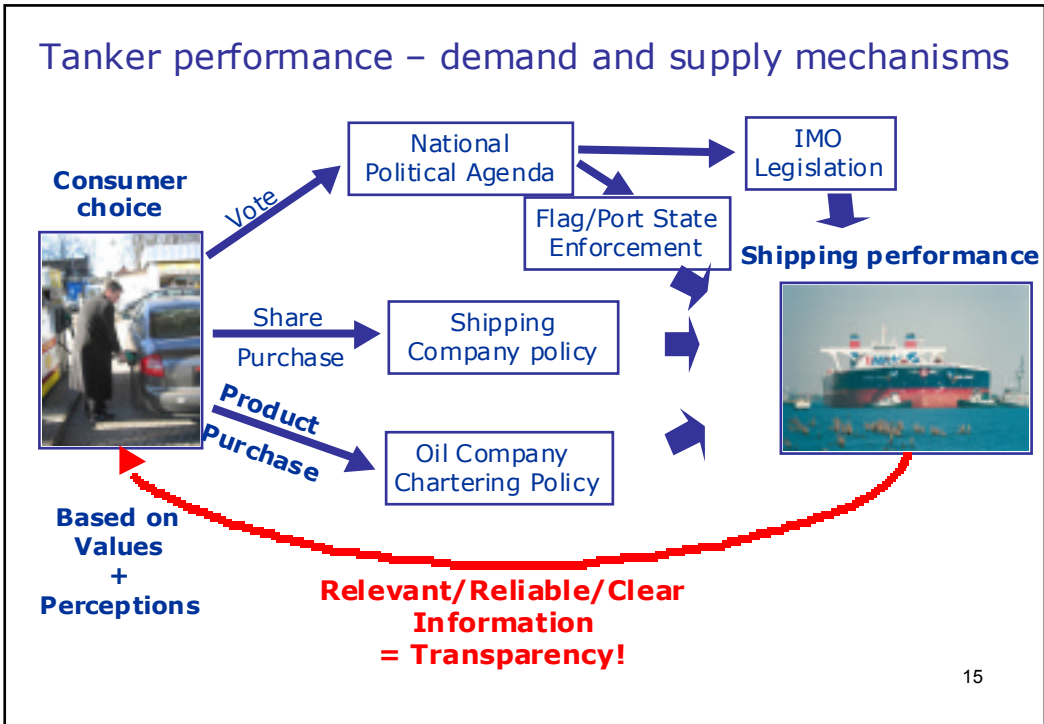
## Quality Shipping in a Cost-benefit Perspective

Example: Stena MAX-Concept



In other words: The extra cost of enhanced performance is negligible!

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## Possible target areas for increased transparency

- Structural margins
  - mm steel margin to critical failure mode
- Redundancy
  - Vessel control after single failure vs BF scale in standard seastate
- Manoeuvrability
  - Numerical standard manouvre characteristics
- Navigational standards
  - Harmonised grading of bridge layout/equipment + crew training
- .....?

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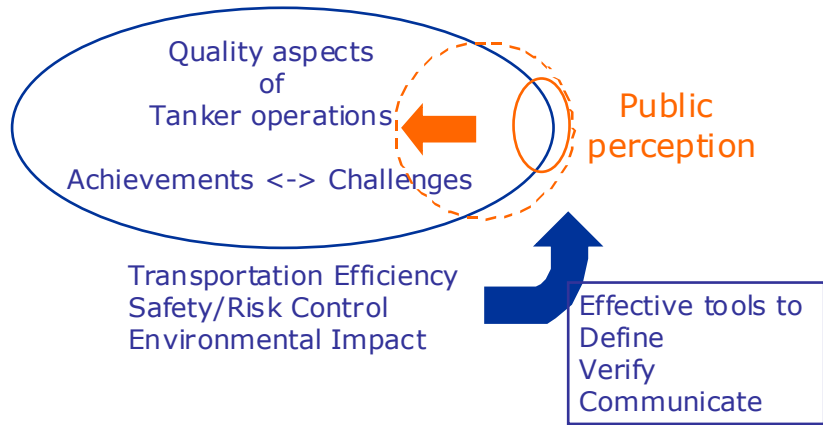
## How can quality be encouraged and rewarded?

### Possible incentives, examples

- Structural margins
    - Reduced inspection requirement if documented margins, intact coatings, etc
  - Redundancy and Manoeuvrability
    - Reduced tug requirement with certified RPS level and documented manoeuvrability
  - Navigational standards
    - Reduced pilot requirement if documented bridge standard, procedures and training level
  - .....?
- + Customer trust and preference
- + Eventually – consumer trust and preference ...?

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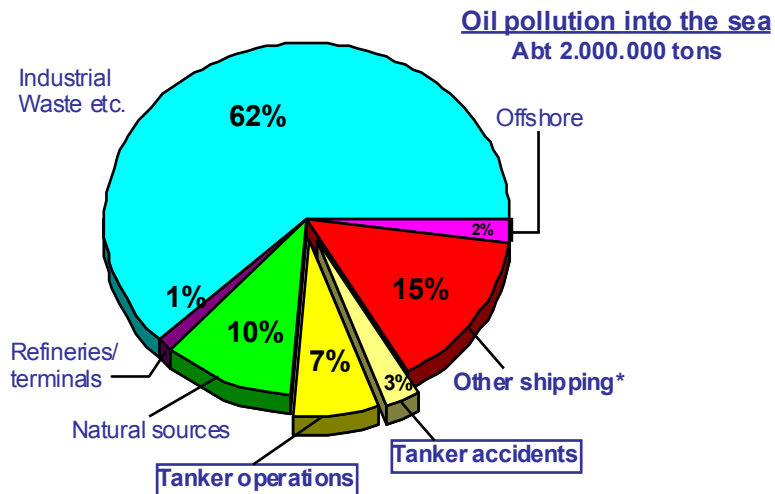
# Getting the full picture?



Being transparent and proactive  
- to build credibility and trust

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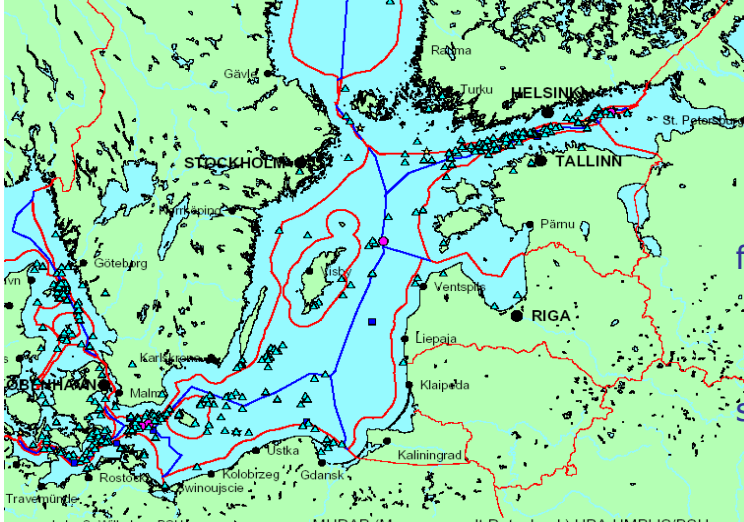
# Oil Discharge - put in perspective



Source: UN Environmental Programme (UNEP), 1990 \* Non-tanker accidents, Bilge and Fuel oil, Dry-docking

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## The Baltic - More than one illegal discharge every day



2001 - 389 discovered spills

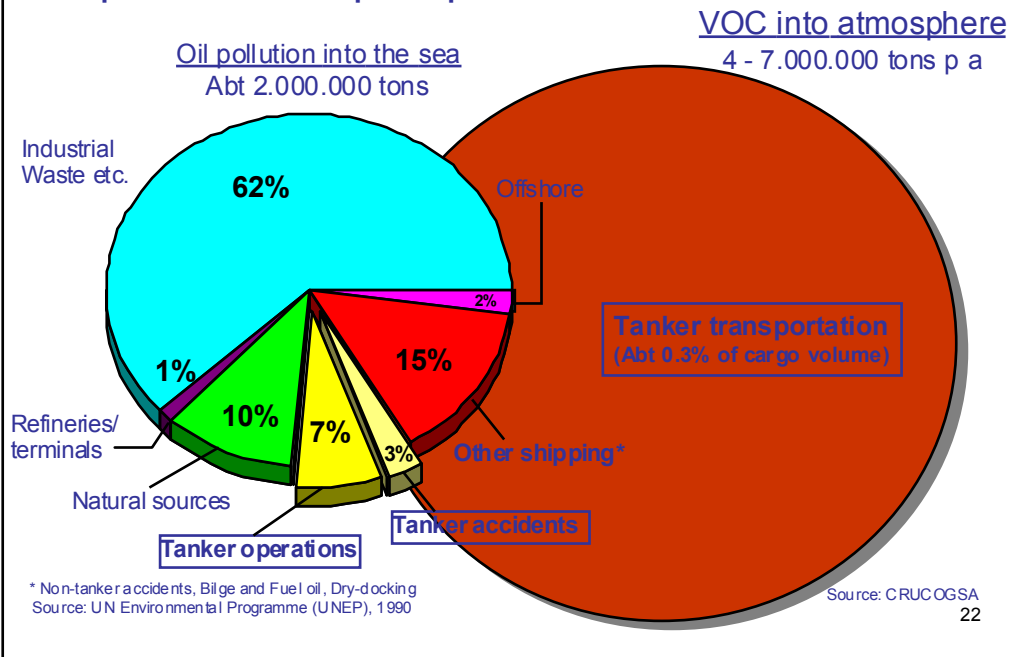
The Cure?

Adequate port reception facilities

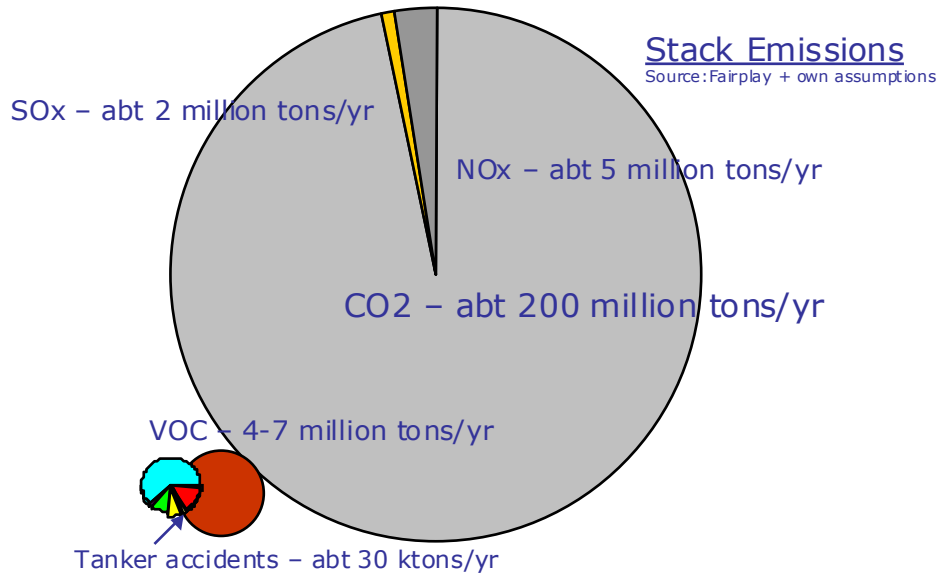
Transparency - name and shame

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## Oil pollution in perspective

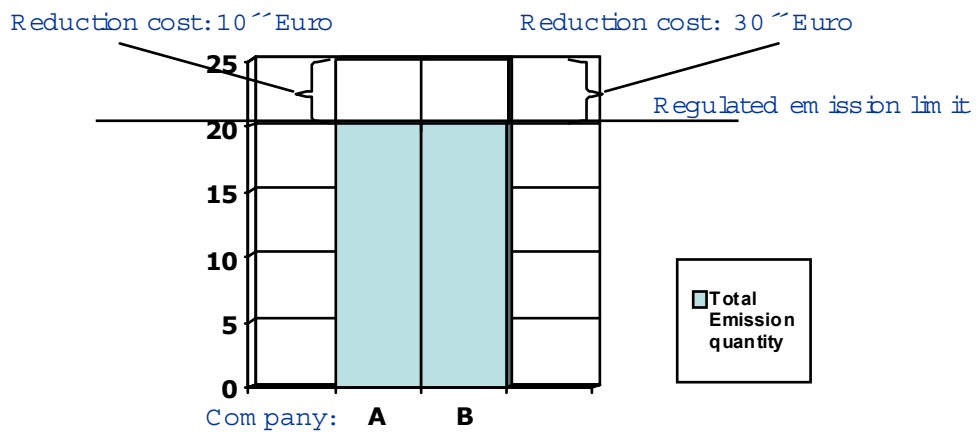


# Tanker emissions in perspective



# Incentive example - Emission Reduction Trading

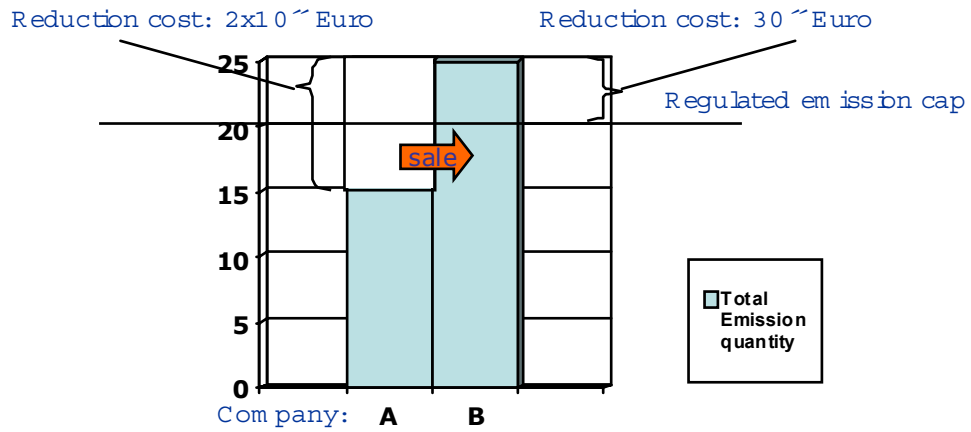
Alt 1: Absolute emission limits -> reduction cost A+B = 40 € Euro



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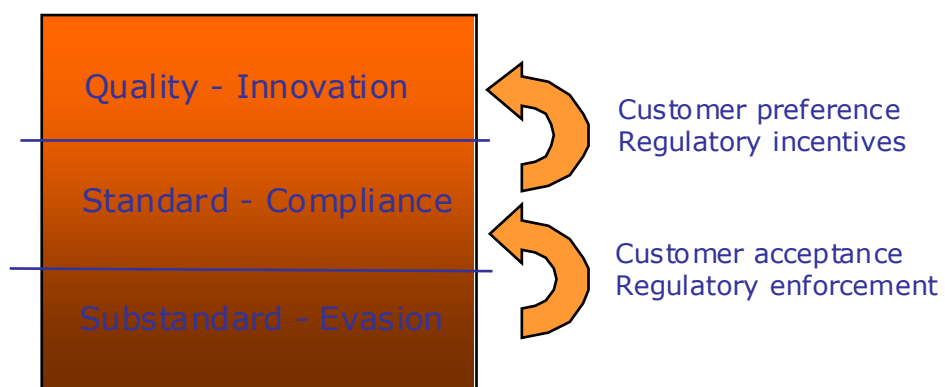
## Incentive example - Emission Reduction Trading

Alt 2: Cap & emission trading => reduction cost A+B = 20 € Euro



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## Factors driving the quality transition



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To develop and achieve best practise requires change ...

Reactive	∅	Proactive
Prescription	∅	Performance
Regulation	∅	Incentive
Compliance	∅	Innovation
Obscurity	∅	Transparency
Subjective	∅	Objective
Mandatory	∅	Voluntary

... a new mind-set for the industry!

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Why not make them proud of us?



Thank you for your attention!

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