



EU Court Dismisses Challenge To Sea Pollution Laws

BRUSSELS - The European Union is entitled to set tougher standards and criminal penalties on sea pollution than measures included in international conventions, the EU's highest court said on Tuesday.

The European Court of Justice dismissed a challenge to the 27-nation bloc's marine pollution laws by an international coalition of ship operators.

Shipping interests, including tanker owners group Intertanko, had argued that the EU directive on ship-source pollution contravened two sets of international maritime laws.

Ship owners said the directive sought to criminalise accidental spillages and questioned whether the EU had the right to impose criminal liability on foreign-flagged ships.

"The court has concluded that the validity of the directive cannot be assessed in the light of either the Marpol Convention or the Convention on the Law of the Sea," an ECJ statement said.

The EU's tough maritime laws seek to protect coastal tourism and fisheries from minor discharges from shipping, as well as catastrophic oil spills like the Prestige off Spain in 2002 and the Erika off France in 1999.

Brussels turns up heat on CO₂ emission talks

There is concern is that a regional trading scheme could distort trade.

THE head of the Brussels environment ministry today raised the temperature of the dialogue over the International Maritime Organization's drawn-out efforts to come up with a solution to shipping's carbon dioxide emissions.

In the strongest hint yet that the European Commission would push on with regional legislation to limit the industry's contribution to climate change, Mogens Peter Carl, head of the directorate-general for the environment, said the European Union executive was "fed up of waiting for Godot" and the "ping pong" in international forums.

Speaking to an industry seminar in Brussels, Mr Carl hinted that shipping could face an EU emission trading scheme similar to that now being lined up for aviation. Ships that polluted more would pay more, he said, and those which did not comply would face financial penalties or "retention."

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(contd. from page 1)

"This is not my preference," he said. "We would prefer to see a truly international system, but we are fed up of waiting for Godot."

Detractors of market-based policies were "playing ping pong between the IMO and the United Nations," he said. In one forum they were claiming the other was competent.

"This has to stop," he said. "Let us pray and hope that the IMO will come up with an effective solution by early 2009, otherwise there is the supreme threat that Eurocrats will get into this. You might not like what will come out of that."

He continued: "We are miles and miles away from a multi-lateral agreement [on CO₂] in IMO."

International organisations such as the IMO had been working on this issue for ten years, he said. "Those who are very optimistic say that there has been progress. There has been progress, but everything is relative."

The commission's plans for incorporating aviation into the EU emissions trading scheme "could constitute an example of how you can do this without affecting the international position or the domestic position of the industry". One concern is that a regional trading scheme could distort trade.

Delegates heard accusations that IMO members such as the US, China and Saudi Arabia were filibustering on climate change. One speaker described the scenes at recent meetings as "depressing".

Industry representatives repeated calls for an international rather than a regional CO₂ regime.

"Some delays could have been avoided," said of the European Community Ship Owners' Association president Philippe Louis-Dreyfus. "But we are now moving in the right direction."

Another attendee was less diplomatic. "All this talk about patience by the commission is very funny. The real question is why haven't they done anything until now? They have only started their studies over the last year. They are under pressure from the [European] parliament to include shipping in the emissions trading scheme and they're actually desperate that the IMO will do something so that they don't have to."

Deal agreed on solving Arctic disputes

The five states bordering the Arctic Ocean agreed on Wednesday to solve territorial disputes over the polar region, and its potentially huge mineral resources, through the existing United Nations framework.

"Any dispute between the countries will be solved peacefully," Per Stig Moller, the Danish foreign minister, said afterwards.

Wednesday's ministerial meeting was aimed at creating a period of calm in which Russia, the US, Canada, Norway and Denmark could gather scientific evidence to back up claims to the UN commission overseeing the Law of the Sea Convention, the international treaty that sets out the overarching legal structure for settling Arctic disputes. This was an attempt to avoid a repetition of the squabbling over maritime boundaries that broke out last year.

"We remain committed to this [UN] legal framework and to

the orderly settlement of any possible overlapping claims," the ministers said in a statement after day-long talks in Ilulissat, Greenland. "We therefore see no need to develop a new comprehensive international legal regime to govern the Arctic Ocean."

In a sign officials say was intended to convey US commitment to a co-operative approach to the Arctic, Washington sent a high-level delegation, headed by John Negroponte, deputy secretary of state. However, the US has still to ratify the Law of the Sea Convention.

The coastal powers have woken up to the commercial potential of the pole because rising global temperatures could leave much of the Arctic ice-free in the summer, enabling easier exploration and navigation.

At the same time, soaring oil prices and improved technology have made Arctic petrochemical reserves more viable. The Arctic region is thought to contain up to one quarter of the world's undiscovered oil and gas reserves.

Russia, Canada, Norway and Denmark (through its sovereignty over the semi-autonomous territory of Greenland) are already busy collecting geological evidence to show that their continental shelves extend towards the Arctic and that, therefore, their territorial waters should be extended beyond 200 nautical miles offshore.

But the US has not submitted its claims, amid an enduring political controversy as to what the Convention would entail.

Some Republican legislators argue that the treaty would give too many powers to the UN and have been unmoved by the Bush administration's calls for its ratification.

Officials and Congressional aides say ratification is now unlikely until after the US presidential election at the earliest, partly because of the pressures on the Senate's remaining time.

Disputed claims submitted to the UN commission will have to be resolved by negotiation, potentially delaying any exploration. One solution could be joint stewardship of contested areas, allowing exploration to take place before boundaries are finally demarcated.

However, environmentalists have called for an international agreement such as governs the Antarctic - to prevent commercial exploitation of the pole's fragile ecosystem.

The meeting did little to address these fears but the five Arctic powers did agree to work together to improve the safety of maritime navigation and reduce the risk of ship-based pollution in the Arctic Ocean.

They also agreed to strengthen co-operation on scientific research, a particular ambition of the US which has been unhappy about access to Russian territorial waters.



Norwegian foreign minister Jonas Gahr Stoere, Greenland's Aleqa Hammond, Canada's Minister of Natural Resources Gary Lunn, and American John Negroponte admire the view from their boat Wednesday near Ilulissat in Greenland, ahead of an Arctic Ocean conference.

From the Editor's Desk



Our liberty depends on the freedom of the press, and that cannot be limited without being lost.
— THOMAS JEFFERSON, former US President.

"In an age where communication is considered matching almost the speed of light, the means of communication is not therefore as important as the content of our communication. Some of the content of our communication can sometimes create animosity and hatred between communities, as in the recent incident in Maharashtra state. The need therefore for a wider spectrum of thinking, in broader sense. What we need to focus on is "content that can empower the people of this country", "Information Empowers", with Empowerment there is progress. "The Right to Know is inherent to the freedom of expression" "The RTI Act has proved to be a progressive instrument of democracy, empowering citizens to obtain official documents with ease and have access to government record without having to pay bribe, and to ensure accountability on the part of the government official."

there was a dire need to implement the RTI in letter and the spirit, if the country is to be saved from corruption and tyranny. "Media accountability must encourage true democratic participation of social responsibility". Media must use and sustain human community in different sections, in a broader spectrum of thinking, such as economic, political, cultural, educational and religious. The information provided by the media is at the service of common good". Press Reporters should not blindly rely on the text provided in the PRESS MEET for publishing. Generally the same are biased/lopsided. "Information about assets and liabilities, criminal and career records of public servants and politicians must be made public on a website". One should learn to be knowledgeable, keeping abreast with their relevant subjects.

The Media has a tremendous role to play. They should publish policies given by the government, for general awareness, for better and quick implementation and paving the way to national progress and development. This will induce the citizens to raise legitimate rights and privilege issues. It will not only awaken the locals but also the officials, to be more productive and not lead a lethargic life. Media must play a positive role without bias and prejudice, since it is a vehicle for bringing in good and better governance. Seafarers are exploited and deprived of their basic civil rights, they need to be enlightened. Major portion of their life cut off, from the human world. Replacement issue of lost certificate, to a survivor of a sunken vessel, unduly delayed resulting in his un-employment of over six long months, on loss of pay and hence family falling into debts, same taken up by MARINE WAVES with the directorate, and alas COC delivered on the 30th May 2008, said NCV 2nd Engineer presently employed and now sailing, thank god. Dy. Chief Surveyor informs that the delay was owing to formalities in the process of issuing certificate. Seamen without good contacts or influence have to suffer with such unworthy discrimination and unfairness, depriving of their citizen rights.

- While an active seafarer on his hard-earned leave, suppose to be with his near and dear ones ashore, has to plan and prioritise his essential needs, to run to various offices i.e.
- Passport Office - for renewal of passport Agency can be availed.
- R.T.O. for renewal of his Motor Driving Licence - do -
- U.S.Embassy for US Visa Systematic, well organised.
- M.M.D.Services: Is it a seafarer friendly service?

For renewal of CDC, revalidation of certificates, etc. it is truly a harrowing experience. When a seafarer, is constrained to call at MMD office. Chennai, where the private security deployed, sitting inside the Air Conditioned office, at the entrance (unknown as to whether private security guard officially employed in Govt. MMD offices, to do clerical and reception duties?), said Security Guard turns back the seamen calling at MMD office authoritatively, saying it's Deck Day - only deck personnel will be attended and not Engine Day and vice versa, or TIME is over for the day, all this in the 5 day week work-culture. When asked, as to why security guard performs such jobs? Informs that they are instructed to perform such duty, as per P.O.'s instruction and no one else can enter the department without entering the said register. When asked why that person has not entered the register, pointing out to a person, informs he is a known person to Surveyors, who regularly visits. Please note that this type of security arrangement noticed after the CBI's crackdown and suspension of Office Superintendent And clerk of MMD, having been caught red-handed for bribery and corruption.

Lean/skeleton strength observed in the beginning and end of the 5 day work- culture, cause of serious concern, since seafarers calling for MMD services, coming from far-off places incurring time and valued money on their travel, boarding, lodging and incidental expenses, more painful when they get stuck during the week-end (being away from their family, during their hard-earned leave period on land), no accommodation in Seafarers Club which is being mis-used, worst of all is when the MMD services not offered after the collection of fees, incurring time, effort and money. Hopes shattered with disappointment.

Undue delay in MMD Services hence doesn't value seafarers' time ashore, therefore the exodus of Indian seafarers preferring to appear for Certificate Of Competency overseas. Undue delay with unwanted unreasonable queries, non-refundable fees, with uncertainties for their reasonable expectations, all this during the count down of hard-earned leave period, is a cause of serious concern. Therefore it is requested that DG Shipping website entertains seafarers grievances, similar to that of the Dept. of Public Grievances, acknowledging complaint with reference number, followed by timely corrective action to flaws, deficiencies, discriminated injustices etc. By this, the directorate can also feel the real pulse of their foreign-exchange earners,(Indian seafarers) mindset.

Having been invited to attend a seamen's welfare meeting, noticed non-mariners and Fr. Anthony and his followers, are committee members. While, Seafarers are not constituting from any particular caste, creed, religion etc. Hence. suggested to P.O. MMD Chennai, to draw attention of all mariners in the city of Greater Chennai and suburbs to join as members of Seafarers Club, with a nominal annual subscription and such association members could make it a great success by inter-acting, manage and produce better results, viewing seafarer's real welfare. Progresses do not just come by itself by offering varied assignments to anybody whom one likes, Middlemen's corrupt. Only authorized Govt. staff, need to handle the seafarers and authorised faculty staff in Maritime Institutions, not any Tom, Dick and Harry.

I am paused to think, while surveyors claim shortage and being overworked, why they should be more inclined upon direct management of Seafarer's Club? while it is a house-keeping discipline? Surveyor's should have better assignments to do, for their existence in national maritime administration, attending to the voice of the seafarer's, crying for justice, as in the case of 2nd Engineer Gopal Chandra Paul, who got his COC alas on 30th May 2008, after this office intervening for a just cause, with the directorate. There are countless cases of trauma, nervous breakdowns, suicides amongst seafarer's family-members, many getting cheated owing to not knowing the prevalence of cheating in city and suburbs etc. "We have no intention to defame anybody directly nor indirectly, as we have no animosity with any specific person or of any department" but for exposing the grievances of seafarers and the probable causes, for early redressal. If at all unknowingly hurts beyond our knowledge and reach as "err is human", kindly accept our apologies.

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Conference could mark start of Arctic power struggle:

ILULISSAT, Greenland - An Arctic Ocean summit aimed at easing territorial tensions among the five nations bordering the northern sea - including Canada - appeared to evolve Wednesday into something more substantial: a kind of Arctic G-5 with ambitious plans for overseeing polar oil and mineral exploration, maritime security, transportation and environmental regulation.

"The Arctic Ocean stands at the threshold of significant changes," the countries' Ilulissat Declaration stated. "Climate change and the melting of ice have a potential impact on vulnerable ecosystems, the livelihoods of local inhabitants and indigenous communities, and the potential exploitation of natural resources.

"By virtue of their sovereignty, sovereign rights and jurisdiction in large areas of the Arctic Ocean, the five coastal states are in a unique position to address these possibilities and challenges."

But the conference, which was organized by Denmark's Foreign Minister Per Stig Moeller and also included the U.S., Russia and Norway, could well mark the beginning of an international power struggle over the future governance of the rapidly warming and increasingly accessible polar region.

Chief among the goals laid out in the declaration was to block any "new comprehensive international legal regime to govern the Arctic Ocean" - a clear shot across the bow of some European politicians and other Arctic observers who see the region as a largely unspoiled seascape best governed, like Antarctica, as an international trust.

They have pushed for the adoption of a broader legal framework - perhaps even an "Arctic Treaty" under the auspices of the United Nations - to regulate commercial activity, environmental threats and scientific research in the extreme north.

The summit was initially billed as an attempt to cool the rhetoric between the five polar neighbours following Russia's controversial dive to the North

Pole seabed last year, an ongoing Danish-Canadian feud over tiny Hans Island and several other jurisdictional disputes.

And the final declaration did promise "the orderly settlement of any possible overlapping claims."

But in his opening remarks at the conference, Moeller made clear the chief purpose of the gathering by targeting "the assumption by some that there is a need for a new legal regime for the Arctic Ocean. I do not see such a need, as we have international law, we have the Law of the Sea, which already provide us with a comprehensive legal regime."

A proposal is before the European Parliament to adopt an Arctic policy to assert greater influence over environmental protection and other spheres of activity in the polar region.

The Arctic Council - an eight-country coalition of northern nations which includes the five coastal states plus Sweden, Finland, Iceland and various Arctic indigenous peoples - has also been working to develop rules for managing Arctic resources and environmental threats.

While the delegation leaders - including Canada's Minister of Natural Resources, Gary Lunn - expressed a desire to continue working through the Arctic Council and other international bodies on polar issues, they said the new coastal coalition is merited because those nations have unique opportunities and responsibilities.

"We are states that border the Arctic Ocean, and we have a responsibility to ensure that we put in the safeguards to ensure transportation and environmental protection, search and rescue, and so on - that we co-operate," said Lunn, whose ministry is overseeing Arctic seabed research aimed at securing vast extensions to Canada's continental shelf in the polar north.

The five-nation pact also envisions greater co-operation among the coastal nations in search-and-rescue operations, environmental crisis management and the regulation of oil tankers that could soon be routinely cruising through an ice-free Northwest Passage.

"Everybody, of course, wants to avoid a Titanic or an Exxon Valdez in the Arctic Ocean," Moeller said. "New possibilities of transport in and through the region increase the risk of accidents. More cruises than ever before reach even up to Thule (in far northern Greenland). As responsible coastal states we must strive to minimize this risk."

There is one notable hitch in the five-state strategy to rely on the UN Convention on the Law of the Sea, a treaty designed largely to resolve jurisdictional disputes in coastal regions and govern ocean shipping, as the chief guide to governing Arctic waters.

The most powerful of the five nations at the summit - the United States - hasn't ratified the accord.

John Negroponte, the U.S. deputy secretary of state and head of the American delegation, took pains to express the Bush administration's strong support for signing UNCLOS and predicted U.S. ratification soon.

Adoption of the convention has been blocked by Congress in recent years, largely by conservative legislators concerned about surrendering U.S. power to international legal frameworks.

"We certainly believe it's in the interests of the United States to ratify the Law of the Sea treaty, not the least of which would be for the impact it would have on our Arctic policy, where it's very important," Negroponte told reporters.

Two opposition MPs from northern Canada who attended the conference as observers - the NDP's Western Arctic MP Dennis Bevington and Yukon Liberal MP Larry Bagnell - applauded the agreement reached between the five countries.

Two Canadian experts on polar issues offered contrasting opinions on the outcome of the summit.

University of Calgary political scientist Rob Huebert said the five-country plan to manage the ocean's affairs means "Arctic issues will be dealt with on an ad hoc, piecemeal, bilateral basis. The Arctic is much too complicated to deal with in this manner today."

He said the coming problems require "an Arctic Council with teeth, or each issue will deteriorate on its own."

But University of British Columbia political scientist Michael Byers praised the direction of the grouping he dubbed "the Arctic Ocean 5."

The five-nation summit was "a perfectly appropriate venue to discuss Law of the Sea issues as they relate to the Arctic Ocean seabed. Countries that do not border on the Arctic Ocean simply don't have the same interests or potential disputes with respect to those areas and potential resources."

Duynhoven: Address to the Ports Forum: Address to the Ports Forum - Rail and Maritime Transport Union:

It is great to be here today to talk to with you, especially when there has been such positive activity around both rail and sea lately. Exciting times for us, with the rail buy-back and the government committing \$36 million over four years to revitalise coastal shipping.

These developments will benefit all New Zealanders in helping to reduce greenhouse gases, to take pressure off our roads, and to better link our regions.

Because this is a ports forum and many of you will be interested in coastal shipping, I'll concentrate on Sea Change - the domestic sea freight strategy that was launched by my colleague the Minister of Transport just a couple of weeks ago. It's all part of the bigger transport picture. We need to build a sustainable, integrated transport system so New Zealand can continue to prosper.

In July, the Ministry will release the final update of the New Zealand Transport Strategy, or the NZTS. This document will provide a high-level plan for transport through to 2040.

- The current amount of freight carried throughout New Zealand, broken down by percentage share, has:
- road at 66.5%
- rail at 17.8%
- shipping at 15.3%
- air at 0.3%.

The targets in the NZTS that you'll be interested in, are to increase coastal shipping's share of inter-regional freight to 30 percent by 2040, and to increase rail's share of freight to 25 percent by 2040.

These targets come under the broad goal of ensuring environmental sustainability, which includes halving per capita domestic transport greenhouse gas emissions by 2040. Sea and rail have a significant contribution to make in reducing these emissions.

We expect total domestic inter-regional freight to more than double by 2040. If sea freight increases its share from 15 to 30 percent by 2040, in tonne-kilometres this means a four-fold increase in domestic freight moved by ship. To help us get there, an interim target has been set: 20 percent of inter-regional freight to be moved by sea by 2020.

Sea Change: This is where Sea Change, the government's domestic sea freight strategy, comes in.

We know that New Zealand has long been underutilising sea transport as part of its domestic network. Sea transport is now seen as an environmentally friendly, energy efficient and cost effective alternative for moving freight around the country.

There are also the trends in global shipping to consider - with larger ships visiting fewer ports - driving a growing need for domestic feeder services to carry goods to and from the major international ports.

The draft Sea Change strategy was released in November last year for public consultation. The final strategy was updated and amended in light of submissions and released on 20 May. Feedback from submissions will also be used in developing the plan that is an important part of the final strategy.

Sea Change addresses the interactive nature of freight management to achieve supply chain needs. Ports are a central ingredient of the supply chain. Sea Change is about integrating freight movement by ship with delivery to and from ports.

In the submissions there were many comments to do with ports, including ownership issues, infrastructural investment and service alignments. Because of the level of interest in this policy area, it will receive priority over the next three years. The policy work programme will also include environmental issues around port activity.

Most port policy issues have received little attention since the Port Companies Act was passed in 1988 - 20 years ago, so it's high time it was revisited to ensure

it meets today's needs.

While we're talking about ports, this month proposals for improvements to port and harbour safety legislation will be going to Cabinet as part of a wider package of amendments to the Maritime Transport Act 1994.

As you'll know, Maritime New Zealand led the development of the New Zealand Port and Harbour Marine Safety Code in 2004. This was after a series of shipping incidents in New Zealand harbours in 2002 and 2003, and a direct response to problems from declining standards, legislative gaps and the lack of an overall scheme for managing harbour risks.

However, this arrangement is entirely voluntary. Harbour safety management still relies heavily on good will that can be eroded over time - with a risk that the problems of 2002/2003 could resurface. The proposals establish functions, duties and powers to "lock in" consistent safety management at harbours throughout the country. This is clearly in the interests of seafarers, the environment and the economy.

What else has Sea Change to offer? I'm pleased to report work in the action plan is already well underway.

A focal point for much of the work in the action plan is the Seafreight Development Unit, recently established in the Ministry of Transport. Acting as a liaison between government and the sea freight industry, the Unit will have a special role in ensuring necessary information is collected and made available.

As you well know, the workforce is key to growing the capacity of the domestic sea freight sector, and workforce initiatives are another of the steps identified to help reach the targets.

A revitalised domestic sea freight industry will need more skilled people. The New Zealand workforce engaged in domestic sea freight is ageing - one third are over 60 years old. Recruitment is difficult because of the unique conditions that relate to seafaring. Financial support for students does not address practical sea-based training. There is also strong international competition for qualified personnel. Some of these issues are relatively easy to address. Others will need more attention and consequently more time.

Experience in the roading sector shows it's useful to coordinate developing workforce plans among relevant

government agencies and with industry representatives. A comparable action plan for domestic sea freight is being developed by the Ministry of Transport and the industry (shipping companies, ports, shippers and unions) with other government agencies. The plan will focus on industry requirements, recruitment strategies, good employment practice and staff retention.

The submissions we received during the consultation supported this co-ordinated approach to workforce development and signalled we should consider the full range of workforce roles. There are initiatives in the strategy to improve training and qualifications of both shore and ship-based workers. No longer is it acceptable or possible to drag anyone off the street, and get them to be stevedores or crane drivers.

Skilled and experienced staff are needed to ensure that freight is transported safely to and from ships. Industry and employee organisations and government agencies are already working together with the Ministry on this important area.

As I said earlier, the government has committed \$36 million to develop domestic sea freight. Land Transport's allocation for this 2008/2009 year will be \$6 million. From 1 July the new Transport Agency (which combines Land Transport New Zealand and Transit) will invite proposals for access to funds twice yearly from public and private parties in the sector. Under the soon to be released Government Policy Statement, a further \$10 million allocation for the following three years is planned.

It's also pleasing that Land Transport New Zealand has been working with the Ministry to reduce barriers to accessing the funding. With more efficient processes, the sector should soon find it easier to source the funding, where it has been frustrating or 'too hard' in the past.

Essentially, Sea Change, is about working together - government, industry and the unions - to revitalise the domestic sea freight industry, and to use sea transport to help manage New Zealand's freight growth. What it doesn't mean is the government unfairly supporting the sea freight industry as a competitor to road or rail freight.

Rail buy-back: This is probably a good time to move onto rail. Just before Sea Change, the government bought back our rail operational business. This enables the government to implement an integrated transport strategy and to invest in the

business to further rail's potential to contribute in a much more meaningful way to the New Zealand economy. At this early stage the details are being worked through, but I can say we need a viable rail network.

Since 1995, there has been a 64 percent increase in the distance that the heavy vehicle fleet travels each year. If this growth continues, roads will struggle to cope with the traffic. By comparison railway lines are comparatively under-utilised, as are our coastal waterways. It makes sense to make relatively modest (in cost terms) improvements to the rail network compared with the much higher cost of building or upgrading roads.

Conclusion: Sea and rail both have a key role in realising the New Zealand Transport Strategy's vision of an affordable, integrated, safe, responsive and sustainable transport system. Working alongside you, we should get there.

The C-TPAT Flaws: Truly Serious, or Just overblown?

And can they exacerbate the problem of misdeclared cargo

The media frenzy over the new Government Accountability Office (GAO) audit which found gaps in Customs and Border Protection's (CPB) Customs-Trade Partnership Against Terrorism (C-TPAT) program which terrorists theoretically could exploit to smuggle weapons of mass destruction in cargo containers came as no surprise to anyone who has been following this program.

In 2005 - and earlier, in 2003 - GAO had already identified similar problems with C-TPAT.

The flaws in C-TPAT identified by GAO also, authorities say, can have a direct bearing on the on-going problem of misdeclared and mislabeled cargo, a serious security issue HSToday first disclosed in its January 2007 cover story investigation, "Dangerous Cargo."

Under the C-TPAT initiative, importers, port authorities and air, sea and land carriers are granted reduced scrutiny of their cargo in exchange for submitting a security plan that meets CPB's minimum security standards and allows CPB officials to verify that these security measures are actually in place and are being adhered to.

The whole purpose of C-TPAT is to

improve the security of the international supply chain. But it is a cooperative program between CBP and members of the international trade community in which private companies agree to improve the security of their supply chains in return for a reduced likelihood that their containers will be inspected.

C-T P A T membership is open to US- and foreign- b a s e d companies w h o s e goods are shipped to the United States via



air, rail, ocean and truck carriers.

A C-TPAT Tier III certification, for example - which is given to a limited number of companies - is supposed to mean businesses have comprehensive programs in place to secure their facilities and supply chain from terrorists, smuggling, and narcotics.

CBP granted Tier III status to 17 companies in 2007. There are approximately 6,000 importing companies in the US. As of January, CBP had performed more than 6,900 total C-TPAT validations since 2003.

"In order to maintain our Tier III benefits, we must continue to maintain and improve our supply chain security practices," explained Kathleen Neal, director of trade compliance for A. O. Smith, which earlier this month received Tier III certification.

As GAO explained in its 2005 report, "Homeland Security: Key Cargo Security Programs Can Be Improved," "in return for committing to making improvements to the security of their shipments, C-TPAT members receive a range of benefits that may change the risk characterization of their shipments, thereby reducing the probability of extensive inspection."

But "before providing benefits," GAO explained, "CBP reviews the self-reported information contained in applicants' membership agreements and security profiles. Also, CBP assesses the compliance history of importers before granting them benefits."

"However," GAO determined, "CBP grants

benefits before members undergo the validation process, which is CBP's method to verify that their security measures are reliable, accurate, and effective."

From the beginning, this approach has been a bone of contention for security experts.

Furthermore, GAO reported, "although CBP's goal was to validate members within three years, to date it has validated 11 percent of them. Further, the validation process is not rigorous, as the objectives, scope and methodology of validations are jointly agreed upon with the member, and CBP has no written guidelines to indicate what scope of effort is adequate for the validation. Also, although CBP has recently moved to a risk-based approach to selecting members for validation, it has not determined the number and types of validations that are needed to manage security risks or the CBP staff required to complete them.

"Further," GAO found, "CBP has not developed a comprehensive set of performance measures for the program, and key program decisions are not always documented and programmatic information is not updated regularly or accurately."

GAO identified specific measures CBP could take to improve record-keeping and validation of the security practices of US importers.

CBP generally concurred with GAO's findings and recommendations and outlined the corrective actions it was taking to respond to the deficiencies GAO identified. Moreover, a port security bill passed by Congress also was supposed to strengthen the C-TPAT program, although authorities expressed reservations at the time about whether the efforts would effectively address the problems GAO outlined.

In July 2003, GAO had already reported that these programs had management challenges that limited their effectiveness.

In GAO's latest examination of C-TPAT, "US Customs and Border Protection Has Enhanced Its Partnership with Import Trade Sectors, but Challenges Remain in Verifying Security Practices," Congress' investigative arm determined "CBP has taken steps to improve the security validation process," but "it still faces challenges in verifying that C-TPAT members' security practices meet minimum criteria."

GAO found "CBP has sought to strengthen the validation process by providing appropriate guidance and developing a portable, electronic instrument to help ensure that validation information is consistently collected, documented, and uniformly applied to decisions regarding the awarding of benefits to C-TPAT members."

However, "the usefulness of the instrument is limited due to its default 'no' responses," GAO found.

"Specifically, if a response is marked 'no,' it is unclear whether a security specialist, who has the discretion to answer or not answer individual questions, intentionally answered the question or if the response was an automatic default. This factor limits the ability of CBP to validate security practices at member companies."

GAO reported "CBP has taken actions to address C-TPAT management and staffing challenges, such as implementing a human capital plan, a records management system, and performance measures," but "while these actions have addressed a number of challenges, others remain."

"In particular," GAO concluded, "CBP's records management system does not include interim processing dates - such as the date that security specialists send companies the 30-day validation notification letter - to enable management or others to determine CBP's compliance with program requirements. Further, although CBP has developed performance measures for facilitating the flow of commerce, it has not developed performance measures to assess the effectiveness of C-TPAT's efforts to improve supply chain security."

Once again, GAO stated, "DHS and CBP agreed with our recommendations and outlined actions that CBP plans to take to implement them."

"C-TPAT utilizes the 'honor-system' approach when relying on an importer to document its supply chain security policies, plans, and procedures at all links in its supply chain. This 'self-assessment' is called the 'supply chain security profile.' Given that these are 'for-profit businesses,' one has to question how likely is it that a company would be truly self-critical knowing that the upgrades to correct identified security weaknesses directly impacts on the company's 'bottom line,'" maritime security expert Michael McNicholas told HSToday.us.

But, as GAO found, CBP rarely challenges

what companies seeking C-TPAT certification claim.

"Likewise, if you are a vendor in an importer's supply chain, how likely are you to report to the importer (your client) security shortcomings and vulnerabilities in your operation if doing so may jeopardize your contract? What is reported in this honor-system approach is not necessarily the reality down the supply chain," McNicholas continued.

Indeed, losing C-TAPT status would have a devastating effect on a business, authorities concede. Similarly, businesses would be impacted if they had to wait on their C-TPAT security validation before engaging in trade.

McNicholas said "C-TPAT validations are conducted 'announced' and only of a single supply chain line of an importer. A large importer - such as Target, Home Depot, Wal-Mart, etc. - may have many dozens of supply chains into their US-based facilities and from all over the world. So, CBP's validation of a single supply line in fact validates all supply lines of that importer. Is this a fair representation? In reality, each supply line - and its security configuration and vulnerabilities - may be very different from each other."

Author of the new book, "Maritime Security: An Introduction," McNicholas is managing director of Phoenix Management Services Group in the US, Panama, and Costa Rica. He's also a former CIA analyst who specialized in counter-narcotics trafficking and international terrorism and was the agency's liaison to Coast Guard Intelligence. He also served on the Vice President's Narcotics Interdiction Task Force and has briefed senior intelligence officers and analysts at DIA, Pentagon, and Department of Homeland Security on maritime security issues and narcotics trafficking and Islamist terrorist activities in Latin America.

"The GAO report highlights the need for consistent standards to strengthen port security, something that [New York Port Authority] Chairman [Anthony R.] Coscia and members of our Port Security Task Force called for and have been working with the congressional delegation to enact into law," said New Jersey Democrat, Sen. Bob Menendez.

"CBP could significantly increase - many, many fold over - the quantity of validations conducted, as well as implement a procedure for follow-up

audits (to ensure that security corrections are actually implemented) - if professional security companies were contracted by CBP as third-party vendors," McNicholas said.

But, McNicholas pointed out, "CBP has a vastly insufficient number of personnel assigned to the C-TPAT program and has the manpower to perform only a limited amount of validations. Out-sourcing these functions to local/regional security companies (vetted and certified by CBP) would save CBP significant funds and dramatically increase the volume of validations and follow-up audits performed."

McNicholas said the American Society for Industrial Security (ASIS), "the world's largest international security association, has a membership of hundreds of professional security companies - each of whom employs various numbers of security personnel - and offers several professional security certifications. Is there an opportunity available for CBP to partner with an association such as ASIS to develop a Supply Chain Security Certification Program, thereby creating a large pool of vetted and certified security professional that could perform the C-TPAT validations and follow-up audits; i.e. an untapped source and 'force multiplier' for CBP?"

But CBP does not require businesses to employ third parties to assist in auditing their security measures, and it is not at all uncommon for firms to be C-TPAT certified before they've implemented the required C-TPAT security procedures.

Meanwhile, "the President this year again attempted to cut funding for port security even as we are learning of more vulnerabilities in our port security programs," said Democratic presidential candidate, Sen. Hillary Clinton, in response to the new GAO findings.

"The men and women who we rely on to verify security plans, protect the borders, check baggage and screen cargo have done tremendous work with the limited resources provided to them," but "it is time the Bush administration fully commits to protecting the front lines of our domestic security," added Democratic Rep. Bill Pascrell Jr., a member of the House Homeland Security Committee.

Still, if everything works the way it is supposed to in theory, voluntary self-assessment and policing can relieve pressure on CBP so it can devote resources to other priority security

matters.

"When you consider what C-TPAT accomplished in 2007, you can see that we are producing solid results" C-TPAT Director Bradd Skinner said in January. "We met the SAFE Port Act's certification and validation requirements and that is a key metric for us. We are holding members accountable to meet their commitments to the program but doing so in the spirit of collaboration."

According to CBP, a University of Virginia survey on behalf of the agency to determine C-TPAT members' perceptions regarding the cost, benefits, and motivations to join the program revealed C-TPAT "has moved thousands of companies to provide closer scrutiny to the security of the goods they handle and to ensure that their overseas suppliers have implemented sound security practices."

Skinner said "C-TPAT will undertake future studies of this sort to assess its effectiveness."

Ed Merkle, the director of port security and emergency operations at the Virginia Port Authority, told the Norfolk Daily Press this week that the process of gaining C-TPAT certification at terminals in Norfolk, Portsmouth, Newport News, and Front Royal "was both very thorough and very challenging to ensure that we've met the requirements. I can assure you of that."

Merkle conceded that much of the certification process was based on self-reporting, but said that shouldn't be considered a flaw in the program.

The Virginia Port Authority was one of the first US ports certified for the C-TPAT program.

"If you take a step back and look at it logically, self-reporting is OK, because the penalties for failure to self-report accurately or failure to report a security breach are so high, there is no interest from any US entity to ever fail that system," Merkle said.

Merkle told the Daily Press all cargo that moves through the various ports' terminals is carefully scrutinized and that multiple security checks are performed before it leaves the ports' gates.

"I'm very comfortable that we comply not only with the letter of the regulation, but with the spirit of that regulation," Merkle told the Daily Press.

Merkle added that GAO reports are inherently critical of federal programs, but

"MARINE WAVES"

(International Maritime Newsletter)

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that they are constructive in making positive changes.

"Security is an evolution," he said. "This report will add just one more level to the evolution process."

Meanwhile, the C-TPAT flaws cited by GAO in its new report can exacerbate the problem of misdeclared and mislabeled cargo.

McNicholas told HSToday.us "if an importer and the entities in its supply chain fully embraced and implemented the security policies and procedures outlined in CBP's C-TPAT Security Criteria, without a doubt there would be a reduction of incidents of misdeclared/mislabeled cargo in that specific cargo supply chain."

But as authorities told HSToday.us, misdeclared and mislabeled cargo continues to be a problem.

A problem that should not be taken lightly. McNicholas explained to HSToday.us in February that "terrorists' usage of the technique of misdeclaring [ship transported] cargo" is "very worrisome."

In its "Dangerous Cargo" report, HSToday revealed that Capt. James McNamara, president of the Coast Guard-founded National Cargo Bureau, Inc., had long been concerned about misdeclaration by shippers of what is actually in their containers, and that he considers it to be a significant problem.

A leading authority on ship-bound cargo and the former head of the International Maritime Organization's (IMO) cargo committee, McNamara said his group inspects approximately 15,000 containers a year, and the biggest problem is matching documents with what is actually in the container.

By most accounts, the problem clearly hasn't subsided. McNamara discussed the dangers of misdeclared cargo and misdeclared cargo as a tool for terrorism at the Maritime Homeland Security Summit in Charleston, South Carolina in April.

The dangers of how misdeclared cargo is used and exploited by terrorists also will be a topic of discussion at the Coastal Surveillance Middle East conference in Bahrain next March.

US maritime, customs, and counterterrorism officials told HSToday on background they agree with McNamara, who brought to HSToday's attention the disturbing

findings of a year-long audit of containers conducted by seven nations for the IMO. The survey concluded in August 2006.

Of the 25,284 loaded freight containers opened, 32 percent held misdeclared contents and were not in compliance with regulations. In this physical survey of cargo containers, the mislabeled containers were stopped from being loaded. Twenty-seven percent of the inspections revealed deficiencies in placarding and marking, and 15 percent, according to an official IMO report obtained by HSToday, revealed documentation problems.

McNamara emphasized that under normal conditions, the containers could easily have been loaded, delivered, off-loaded and on their way.

The countries that participated in the survey were Belgium, Canada, Chile, Italy, Republic of Korea, Sweden and the United States. For its part in the survey, the US Coast Guard inspected more than 16,000 containers. More than 6,000 were found to contain misdeclared contents and other deficiencies, according to another IMO report provided to HSToday.

McNicholas said cargo misdeclaration is a problem that offers an illegitimate backdoor to terrorist organizations and presents a clear challenge to US and other nations' customs inspection regimes.

Misdeclaration of cargo creates "additional hurdles for WMD detection" at foreign ports where US Customs' Container Security Initiative (CSI) program is in effect, McNicholas said.

The CSI program targets cargo containers that pose a potential risk for terrorism destined for the US, but misdeclared cargo can create a kink in this system because "it may inhibit the quality of the analysis of documentation and the probability of" cargo being "selected for screening by NII [CBP's Non-Intrusive Inspection Technology Plan] systems."

"It is crucial that WMD be detected at the foreign port ... and not when the container is in the port of New York or New Jersey or other heavily populated US port," McNicholas said.

GAO found that while the CSI initiative "has resulted in improved information sharing between US and foreign customs operations and a heightened level of international awareness regarding securing the global shipping system ...

several factors limit CBP's ability to successfully target containers to determine if they are high-risk."

GAO explained that "one factor is staffing imbalances, caused by political and practical considerations, which impede CBP's targeting efforts at CSI ports. As a result, 35 percent of US-bound shipments from CSI ports were not targeted and not subject to inspection overseas - the key goal of the CSI program. In addition, as of September 11, 2004, 28 percent of the containers referred to host governments for inspection were not inspected overseas for various reasons such as operational limitations. One percent of these referrals were denied by host government officials, generally because they believed the referrals were based on factors not related to security threats."

"For the 72 percent of referred containers that were inspected overseas," GAO said, "CBP officials told us that no WMD [weapons of mass destruction] were discovered. However, the nonintrusive inspection equipment used at CSI ports varies in detection capability, and there are no minimum technical requirements for equipment used as part of CSI. As a result, CBP has limited assurance that inspections conducted under CSI are effective at detecting and identifying terrorist WMD in containers."

GAO said "CBP continues to make refinements to the strategic plan and performance measures needed to help manage the program and achieve program goals," but "until these refinements are completed, it will be difficult to assess progress made in CSI operations."

N. Korea test fires short-range missiles into West

Sea: SEOUL, (Yonhap) -- North Korea this week fired three short-range missiles in what appeared to be a routine test of its aging missile arsenal, government officials said.

The communist nation on Friday fired three ship-to-ship missiles, believed to be former Soviet-made Styx with a known range of some 45 kilometers, and two of them appeared to have misfired, the officials said.

The incident marked the second time the North fired short-range missiles this year in the West Sea where a dispute between the divided Koreas over the maritime border there, known as the Northern

Limit Line, led to two deadly naval clashes in 1999 and 2002.

"As in March when the North fired several short-range guided missiles, it appears the firing of the missiles was part of a regular exercise to check the performance of the missiles," an official at the Defense Ministry said, asking not to be identified.

"It does not appear to have been aimed at provoking the South as the missiles were fired northeast toward North Korean land and from far north of the maritime border," the official said.

Pyongyang has significantly intensified its hostility toward Seoul since the inauguration in February of the new Lee Myung-bak administration, which has vowed to take a more hard-line stance toward the North than the previous liberal governments of Kim Dae-jung and Roh Moo-hyun.

Calling the South Korean president a "traitor," the North's chief delegate to inter-Korean military dialogue on Friday accused the Seoul government and Japanese civic organizations of scattering anti-communist leaflets throughout the North and warned of grave consequences.

"The Japanese reactionaries would be well advised not to forget even a moment that the army and people of the DPRK are closely following their daily escalating anti-DPRK moves and Japan's archipelago is within the range of a merciless strike by the revolutionary armed forces of the DPRK," the North Korean said in a letter to his South Korean counterpart, according to a report by the North's Korean Central News Agency.

The DPRK stands for the North's official name, the Democratic People's Republic of Korea.

Organotin ban in hull paint begins Sept. 17: An international convention banning the use of harmful organotin in anti-fouling paints used on the hulls of ships and yachts will enter into force on Sept. 17.

Organotin compounds are those based on tin with hydrocarbon substituents.

The International Convention on the Control of Harmful Anti-Fouling Systems on Ships (AFS Convention) was adopted on Oct. 5, 2001 by the International Maritime Organization (IMO) as well as the United Nations' specialized agency with responsibility for safety and security

of shipping and the prevention of marine pollution by ships.

Under the terms of the Convention, it enters into force 12 months after 25 states representing 25 percent of the world's merchant shipping tonnage have ratified it. With the ratification by the Republic of Panama in September, the AFS Convention was ratified by 25 states, with a combined 38.11 percent of the world's merchant shipping tonnage.

When the Convention is in force, ships and yachts will no longer be permitted to apply or re-apply organotin compounds, which act as biocides in their anti-fouling systems. Yachts either shall not bear such compounds on their hulls or external parts or surface or, for yachts already

carrying such compounds on their hulls, a coating that forms a barrier to such compounds will have to be applied to prevent them escaping from the underlying non-compliant anti-fouling systems. The Convention also establishes a mechanism to evaluate and assess other anti-fouling systems and prevent the potential future use of other harmful substances in these systems.

Anti-fouling paints are used to coat the bottoms of yachts to prevent sea life such as algae and mollusks from attaching themselves to the hull, which would slow the yacht and increase fuel consumption.

The AFS Convention defines anti-fouling systems as "a coating, paint, surface treatment, surface, or device that is used on a ship to control or prevent attachment of unwanted organisms."

In the early days of sailing ships, lime and later arsenic were used to coat ships' hulls. More recently, the modern chemicals industry developed effective anti-fouling paints using metallic compounds. These compounds slowly "leach" into the sea water, killing barnacles and other marine life that have attached to the ship.

One of the most popular anti-fouling paints, developed in the 1960s, contained the organotin compound tributyltin (TBT), which was proven to cause deformations in oysters and sex changes in whelks. Unknown to the industry when initially introduced, long-term studies since then have shown that these compounds persisted in the water, killing sea life, harming the environment and possibly entering the food chain.

Today, there are a variety of effective anti-fouling systems available that do not

contain TBT, such as organotin-free anti-fouling paints and biocide-free, non-stick coatings that have an extremely slippery surface. They prevent fouling from occurring and make it easier to clean when it does.

The Convention will apply to all yachts flying the flag of a party to the Convention, as well as yachts not entitled to fly their flag but that operate under their authority and to all yachts that enter a port, shipyard or offshore terminal of a party.

In other words, either your flag of registry will require compliance, or the port where the yacht calls will require compliance by the September deadline.

For private and commercial yachts of 400 gross tons and above, an initial survey must be conducted by the flag administration for issuance of the International Anti-Fouling Systems Certificate (IAFSC). Any future changes or replacements after the initial survey must be endorsed by the flag administration on the IAFSC.

For private and commercial yachts more than 24 meters in length but less than 400 gross tons, owners have the option of obtaining an IAFSC or self-declaring the type of anti-fouling system used on the hull. This declaration must be supported by specific documentation issued by the paint contractor.

In addition, the declaration shall be drawn up in the form corresponding to the model given in Appendix 2 of the AFS Convention.

Remember, the deadline for compliance with this international regulation is only three months away.

Long Range Identification and Tracking:

The IMO Maritime Safety Committee made a number of decisions to ensure the timely implementation of the Long Range Identification and Tracking (LRIT) system. SOLAS regulation V/19-1 on LRIT entered into force on 1 January 2008 and will apply to ships constructed on or after 31 December 2008 with a phased implementation schedule for ships constructed before 31 December 2008. The LRIT system is intended to be operational with respect to the transmission of LRIT information by ships from 30 December 2008. The MSC adopted a resolution on the Establishment of the International LRIT Data Exchange on an interim basis,

confirming that the International LRIT Data Exchange will be provided temporarily by the United States at their own expense and that a permanent solution should be found as soon as possible. The MSC endorsed a financial model based on the "user pays" principle, agreeing that charges for the provision of LRIT information for the search and rescue of persons in distress at sea should, in all cases, be free of charge to the search and rescue service of the Contracting Government requesting such information. The Committee adopted revised Performance Standards and functional requirements for the long-range identification and tracking of ships, to update previous versions, and agreed MSC.1 Circulars giving Guidance on the survey and certification of compliance of ships with the requirement to transmit LRIT information; Guidance on Search and Rescue Services in relation to requesting and receiving LRIT information; Guidance on the implementation of the Lrit system; and Interim revised technical specifications for the LRIT system. The International Maritime Satellite Organization (IMSO), acting as LRIT Co-ordinator, will authorize the integration, on an interim basis, of the Data Centres that have undergone and satisfactorily completed developmental testing, into the production Lrit system. Meanwhile, the ad hoc LRIT Group was authorized to consider and adopt amendments to technical specifications for the Lrit system on behalf of the Committee, during the period between MSC 84 and MSC 85 (meeting November-December 2008), and to develop, agree and adopt, the documentation for the testing and integration of the Lrit system.

New Dry Dock Code: The UK ministry of defence (MoD) Defence Equipment and Services has commissioned Gifford, BMT Marine Projects, and Fleet Support Limited to produce a new Dry Dock Code of Practice. Clearly focused on the goal of safe dry-docking, the Code is aimed at the MoD, shipyards and other military and civil organisations involved in the dry docking of mono-hulled surface ships of over 500 tonnes. The Code provides a comprehensive and methodical framework for ship and dock owners and operators to review, and if appropriate further develop, the procedures and measures required for a safe dry docking.

Although not prescriptive or intended for direct application, the Code provides a valuable framework for the development

of safe in-house procedures. The Code is designed to assure that:

- The ship is suitable to be dry-docked. This section of the Code is aimed primarily at ship owners and operators and covers areas such as ship configuration, condition, stability and structural strength, crew skills and emergency procedures.
- The dock is suitable to receive ships. This section of the Code is aimed primarily at dry-docking organisations and covers areas such as the dock gate, dock shape, dock condition, docking arrangements, staff skills, and flood defences and pumping.

Dry-docking is undertaken safely. This section of the Code is aimed at both ship and dock owners and operators and covers areas such as planning, procedures, tidal movements, and pre-docking and pre-undocking inspections.

Blueprint for maritime operations: The unveiling last week by the US Coast Guard (USCG) of its Marine Safety Performance Plan is an event to which the entire worldwide shipping community should pay attention - not because of its applicability on the US shipping industry, per se, but because the substance of this draft scheme is a well compiled and comprehensive blueprint for the safe administration of maritime operations that all fledgling maritime nations and the 'less rigid' open registries should be encouraged to strive to emulate. The content actually contains nothing new, but its format is concise, fresh and innovative as a single plan. Indeed, everything that should be considered is under one umbrella and easily identifiable.

Regarding its own domestic arrangement the USCG has achieved a neat piece of rationalisation of its mission and objectives - a clever piece of recycling that has produced a revised approach to a vital set of standards to which all participants should subscribe with commitment and competence.

Although still in the discussion stage, certainly, the instrument is first and foremost, a document designed for implementation within the ports, coastal waters and inland waterways of the US, as well as for all US-flagged vessels, but the principles set out in the six elements are internationally applicable and the pragmatic approach that has been adopted by the USCG makes it a suitable basis for the development of an

international standard.

The US plan first defines its mission and visions with explanations of the programme scope, elements and alignment with other strategies and mandates. Goals and objectives are clearly set out, then followed by challenges and performance initiatives.

The six elements are defined as: Standards Development; Mariner Licensing and Documentation; Compliance; Safety of Recreational Boating; Investigations and Casualty Analysis and Outreach and International Engagement.

Goals

The four goals specified are: Reduction of Maritime Casualties; Improvement of Service to Mariners, Industry and Public; Improvement of Programme Process and Management and Improvement of Human Resource Capabilities. Each goal is further sub-divided into objectives.

The plan actually provides no more than is obtainable from other exponents of maritime excellence, in particular the UK Maritime and Coastguard Agency (UKMCA) and Australian Maritime Safety Authority (AMSA) that have consistently provided high standards to which many follow and that are accepted by many as the best in the world. However, with these sources (and indeed with the USCG) there has always been an inevitable difference of presentation and a tendency for the user to often ask the question whether the answers to a particular issue have been discovered in their entirety. The advent of the Internet and provision of guidance from Administrations via their websites has, in fact, emphasised these differences in presentation.

Moreover, the extent of International Maritime Organisation (IMO) codes, conventions, guidance, and so on, is clearly confusing to many and the prospect of a 'trip' around the IMO's large website is daunting and much less preferable to the sites provided by the USCG, AMSA, UKMCA and others, including the major International Association of Classification Societies (IACS) from which extraction of definitive regulatory information is eminently better than having to 'find it' from the IMO site.

Thus, with the implementation of the USCG Marine Safety Performance Plan (over a five year period) and by its transparency in the structure of its regulatory requirements, the USCG is

likely to engender greater understanding from those that seek to apply its standards, over and above an understanding of the structures of the other bodies, despite their parallel excellence.

Indeed, by setting out its structure in this way the USCG is likely to soon be projecting itself as a more 'user-friendly' regulatory authority.

Dozens feared dead after boat sinks near Dr Congo, UN Mission Says:

Dozens of people remain missing four days after an overloaded passenger boat sank during a storm over Lake Tanganyika in central Africa and rescuers do not expect to find any more survivors, the United Nations mission to the Democratic Republic of the Congo (MONUC) reports. MONUC spokesperson Abou Seidou told the UN News Centre today that there are conflicting reports on the number of casualties, but up to nine people are believed to have survived the sinking, which occurred early Monday morning local time.

Officials from MONUC and the UN High Commissioner for Refugees (UNHCR) have been helping efforts, including the use of speedboats, to both rescue any survivors and recover bodies. So far no bodies have yet been located. Mr. Seidou said the boat, which left Tanzania on Sunday, had been due to arrive in the south-eastern Congolese town of Moba on either Tuesday or Wednesday after crossing Lake Tanganyika.

Boats in the region are routinely overcrowded, and this boat was understood to have been carrying up to 50 passengers and their goods, despite having a capacity for around 30 people. Three people were initially rescued and a fourth person was found alive yesterday and hospitalized for exhaustion, according to Mr. Seidou. Local officials report that five other people managed to swim to a remote village on the lake's western shore and will be transported later to Moba.

Overdue yacht located after overnight search:

At quarter past ten last night Brixham Coastguard received a call from a distressed woman reporting that her husband had left on a trip for the Channel Islands in his yacht that morning and she had not heard from him since.

The yacht, 'Lowender', which is normally

berthed at Torpoint in Cornwall, had left Plymouth that morning and as the woman had had no contact with her husband she was concerned that he may not have arrived at his destination.

Brixham Coastguard tasked Tamar and Yealm Coastguard Rescue Teams to begin a harbour check along with Ministry of Defence Police. Checks were made on all local harbours and also harbours in Jersey. After nothing was located Brixham made contact with the French Coastguard who began checking harbours along the Brittany coast.

At six o'clock this morning and after the search having continued throughout the



night Brixham Coastguard contacted Vodafone to request a situation report on the missing man's mobile phone. Information from Vodafone yielded the man's location and Coastguard Rescue Teams located the missing man and yacht on a pontoon five miles from his intended departure point yesterday morning.

Brixham Coastguard Watch Manager Dave Scullion said:

"This intensive search involving Coastguard Rescue Teams, Ministry of Defence Police and our counterparts in the Channel Islands and France could have all been averted with a simple phonecall.

We always advise members of the public who are setting out on journeys such as this to leave an itinerary of your journey with someone ashore and to stay in contact so that if you are overdue, late or change your plans they can contact the Coastguard. One phonecall in this case could have prevented not only the distress caused to this man's wife but also the time and effort put into the extensive search undertaken last night."

Master's inexperience blamed for Pasha grounding:

The Pasha Bulker grounded on Nobbys Beach last June.

THE inexperience of the master of the

Panama-flagged bulk carrier Pasha Bulker was today blamed for her grounding on Nobbys Beach on June 8 last year, reports Lloyd's List DCN.

The Australian Transport Safety Bureau said the gale warning should have prompted the master to ballast the ship for heavy weather and take her to sea, though it noted that other ships also failed to take to sea.

"The master had an inadequate understanding of heavy weather ballast, anchor holding power and the limitations of Newcastle's exposed anchorage," the report said.

He assumed he would be instructed to put to sea and noted that other ships remained at anchor, the report said.

Consequently, the master, a Korean, ignored signs of the dangerous situation developing.

But he was not the only master with poor knowledge of conditions at the world's busiest coal port.

The investigation found that other ships attempted to ride out the gale at anchor and most dragged their anchors.

Some other masters did not ballast their ships appropriately, suggesting some were influenced by Port Waratah Coal Services (PWCS) initiatives to improve performance of ships at coal terminals.

The report noted the limits of the service from Newcastle Vessel Traffic Information Centre and the risks inherent in the size of the queue and the way it was being managed.

Several masters did not realise that the centre had a purely advisory role - they had expected that the traffic centre would instruct or inform them to put to sea at an appropriate time, the report said.

However, masters of the ships off Newcastle generally considered the traffic centre to be the most useful information source for the anchorage.

"The substantial ship queue increased the risks in the anchorage and resulted in another near grounding, a near collision and a number of close-quarters situations," the report said.

At 0100 hrs on June 8, the storm was consistently gale force and conditions becoming rougher.

By 0500 hrs, the wind was strong gale

(Contd. on page 17)

D.G. SHIPPING NOTICE

NT BRANCH CIRCULAR NO. NT/LSA/02/08

No.14-NT(3)/2006-PT Date :09.05.2008

Subject: Type Approval of Life Saving Appliances (LSA)

It has been brought to the notice of this Directorate that the Surveyors of the Mercantile Marine Department while conducting Safety Equipment Surveys during the first entry survey on registration of a vessel under the Indian flag are insisting on replacement of Life Saving Appliances to Indian make with due DGS approvals.

The issue has been examined in this Directorate and the following clarification is issued.

1. Life Saving Appliances that exists while the ship is being registered under Indian flag are required to have documentary evidence of having approval of a flag administration or of a classification society, who is a member of the IACS; and due approvals in accordance with the relevant provisions of the SOLAS 74 as amended, of the relevant provisions of the Life Saving Appliances code and applicable IMO Assembly Resolutions.

2. Any subsequent Life Saving Appliances placed or installed on board the ship after its registration in India shall have the Letter of Acceptance (LOA) of the Indian Administration OR the equipment shall be manufactured in India and having approval of Directorate General of Shipping, or be supported by a LOA of the Indian flag administration.

This issues with the approval of the Director General of Shipping.

This circular supersedes NT Branch Circular No.NT/LSA/06/06 dated 25th July, 2006.

Sd/-

(Capt.R.K.Awasthi)

Nautical Surveyor-cum-DDG (Tech)

NO: SD-9/CHRT(82)/97-IV Dated 13.05.2008

Subject : S.D. Circular No.01 of 2008 - Clarifications regarding

This Directorate has been receiving numerous correspondences seeking clarifications on Shipping Development Circular No. 01 of 2008 dated 25.04.2008 issued by this Directorate regarding revised guidelines for chartering in of vessels under Section 406 and 407 of the Merchant Shipping Act, 1958. The matter has been examined further and it is clarified as follows:-

1. The said Circular does not apply to Indian Flag Vessels, as they are registered and already licensed to ply in Indian waters.
2. The said Circular applies to all vessels chartered in under Section 406 and 407 of the Merchant Shipping Act, 1958 except vessels already carrying the Indian Flag.
3. The said Circular is applicable from 15th May 2008. It therefore does not affect vessels licensed under section 406 and 407 before 15th May 2008, even, if the existing license overlaps the rough weather period.
4. Clause 3.1.4 of the said Circular stands amended to read as follows:

"3.1.4. For time charters of vessels other than passenger vessels, to be entered into with effect from 15th May 2008, which include in the period of charter any period of foul weather, only if the age of the vessel proposed, is less than that specified in Clause 3.1.1, 3.1.2 and 3.1.3 for the respective category of vessel, at the time of termination of the charter period".
5. This issues with the approval of the Director General of Shipping and Ex-Officio Additional Secretary to the Government of India.

Sd/-

(Samuel Darse)

Deputy Director General of Shipping

NT BRANCH CIRCULAR NO. NT/LSA/03/08

No.39-NT(20)/2005 Date :13.05.2008

Subject: Carriage of EPIRB on ship or fishing boat complying with Merchant Shipping. Life Saving Appliance (MS-LSA) Rules - (1991) and Merchant Shipping. Distress and Safety Radio Communication (MS-DSRC) Rules 1995.

1. Background:

- 1.1 Govt. of India implements Radio Communication requirement for their ships of 300 GT and above by notification of Merchant Shipping (Distress and Safety Radio Communication) Rules, 1995. These rules shall apply to unless otherwise specified.
 - 1.1.1 All sea-going Indian passenger and cargo ships and fishing boats of 20 meters or more in length and
 - 1.1.2 All ships other than Indian ships of more than 300 gross tons, while they are in any port or place in India
- 1.2 These rules shall not apply to
 - 1.2.1 Ships proceeding to sea which are not mechanically propelled
 - 1.2.2 Fishing boats of less than 20 meters in length and
 - 1.2.3 Pleasure crafts
- 1.3 Under provision of these rule, regulation 4.(2)a every such ship or fishing boats subject to the requirement of Merchant Shipping (Life Saving Appliances Rules) , 1982 shall carry the following :
 - 1.3.1 Two satellite EPIRB so installed that :
 - 1.3.1.1 One shall be capable of float free if the ships sinks and activate automatically when afloat,
 - 1.3.1.2 The other shall be close to the position from which the ship is normally navigated and be capable of manual activation from that position, and
 - 1.3.1.3 Each shall be capable of being carried by a person into a survival craft and being activated manually.
- 1.4 The Directorate had received various representations from INSA members to amend the requirement of Two EPIRBs as per our M.S. (DSRC) Rules 1995 to the SOLAS requirement as per Chapter IV, Regulation 7.1.6 of one Float Free EPIRB.
- 1.5 Vessels fitted with simplified - Voice Data Recorder (S-VDR) the float free capsule of the S-VDR is fitted with 406 MHz satellite EPIRB.

2. Justification:

- 2.1 As per SOLAS Ch.IV Reg.7.6:
 - 2.1.1 a satellite EPIRB which shall be
 - 2.1.1.1 capable of transmitting a distress alert either through the polar orbiting satellite service operating in the 406 MHz band or, if the ship is engaged only on voyages within Inmarsat coverage, through the Inmarsat geostationary satellite service operating in the 1.6 GHz band;
 - 2.1.1.2 installed in an easily accessible position;
 - 2.1.1.3 ready to be manually released and capable of being carried by one person into a survival craft;
 - 2.1.1.4 capable of floating free if the ship sinks and of being automatically activated when afloat; and
 - 2.1.1.5 capable of being activated manually.
 - 2.2 Directorate General of Shipping has reviewed the request and has decided to amend the requirement so to align the Indian flag requirement to SOLAS requirement, henceforth in place of two satellite EPIRBs, only one satellite EPIRB will be sufficient provided that it is:
 - 2.2.1 capable of transmitting a distress alert either through the polar orbiting satellite service operating in the 406 MHz band,
 - 2.2.2 installed in an easily accessible position;
 - 2.2.3 ready to be manually released and capable of being carried by one person into a survival craft;
 - 2.2.4 capable of floating free if the ship sinks and of being automatically activated when afloat; and
 - 2.2.5 capable of being activated manually. This issues with the approval of the Director General of Shipping.

Sd/-

[K H Mehta]

Sr. Radio Survzeyor-cum-ADG (GMDSS)

Government of India, Ministry of Shipping, Road Transport and Highways
Department Of Shipping
NOTIFICATION

G.S.R. - In exercise of the powers conferred by 356 E & 457 of the Merchant Shipping Act, 1958 (44 of 1958), the Central Government hereby makes the following rules, namely:-

1. Short title and commencement.- (1) These rules may be called the Merchant Shipping (Prevention of Pollution by the Harmful substances carried by Sea in Packaged Form) Rules, 2008.
(2) They shall come into force on the date of their publication in the Official Gazette.
2. Definitions.- (1) In these rules, unless the context otherwise requires, -
 - (a) "Act" means the Merchant Shipping Act, 1958 (44 of 1958);
 - (b) "Annex III" means Annex III to the Convention;
 - (c) "Convention" means the International Convention for the Prevention of Pollution from Ships, 1973, including its protocol of 1978, as amended from time to time in the manner specified therein;
 - (d) "Schedule" means the Schedule annexed to these rules.(2) The words and expressions used in these rules and not defined but defined in Annex III shall have meanings respectively assigned to them in Annex III.
3. Application of the Convention to India.- (1) In order to give effect to the Convention so that the rules and regulations contained therein relating to prevention of pollution by Harmful Substances from ships may be applied uniformly all over the world, the provisions contained in Annex III, with certain modifications, shall be applied to India in relation to prevention of pollution by the Harmful substances carried by Sea in Packaged Form
(2) The rules contained in the First Schedule being the provisions of Annex III relating to provisions of prevention of pollutions by Harmful Substances Carried by Sea in Packaged Form, shall, subject to the provisions of the Act and with necessary modifications in its application to India, have the force of law in India in relation to prevention of pollution by the harmful substances from ships.
4. Penalty.- Whoever contravenes any of the provisions of these rules shall be punishable with fine in accordance with the provisions of clause (b) of sub-section (2) of section 458.

The First Schedule

MARPOL Annex III

Regulations for the Prevention of Pollution of Harmful Substances Carried by Sea in Packaged Form
(as modified in accordance with its application to India)

CHAPTER - I

(GENERAL)

1. **Definitions:-** (1) In these rules, unless the context otherwise requires;
 - (a) "Certifying authority" means the Director General or any person or recognized Organization authorized by him in his behalf;
 - (b) "Government ship" means the ship owned by the Central Government or the State Government;
 - (c) "harmful substances" means those substances which are identified as marine pollutants in the International Maritime Dangerous Goods Code (IMDG Code) , for the purposes of this rule, substances identified by any one of the following criteria are harmful substance:
 - (i) bio accumulated to a significant extent and known to produce a hazard to aquatic life or to human health (Hazard Rating "+" in column A*); or
 - (ii) bioaccumulated with attendant risk to aquatic organisms or to human health with a short retention of the order of one week or less (Hazard Rating "Z" in column A*); or
 - (iii) highly toxic to aquatic life defined by a LC50/96 hour less than 1ppm (Hazard Rating "4" in column B*).
 - (d) "IMDG Code" means the International Maritime Dangerous Goods Code adopted

by the Organization by Resolution A.716(17) as amended from time to time by the Maritime Safety Committee of the Organization.

(e) "packaged form" means the forms of containment specified for harmful substances in the IMDG Code.

2. Application:- (1) Unless expressly provided otherwise, these rules shall apply to:-

- (a) Every Indian ship carrying or about to carry harmful substances in packaged form.
- (b) Every ship other than Indian ship carrying or about to carry harmful substances in packaged form while in ports or locations in India.
- (2) The carriage of harmful substances is prohibited, except in accordance with the provisions of these rules.
- (3) Unless expressly provided otherwise, every ship carrying harmful substances in packaged form, shall comply with the requirements of the International Maritime Dangerous Goods (IMDG) Code. To supplement the provisions of these rules, the Central Government shall issue, or cause to be issued, detailed requirements on packing, marking, labelling, documentation, stowage, quantity limitations and exceptions for preventing or minimizing pollution of the marine environment by harmful substances*.
- (5) For the purposes of these rules, empty packagings which have been used previously for the carriage of harmful substances shall themselves be treated as harmful substances unless adequate precautions have been taken to ensure that they contain no residue that is harmful to the marine environment.
- (6) The requirements of these rules do not apply to ship's stores and equipment.

3. Packing:- Packages shall be adequate to minimize the hazard to the marine environment, having regard to their specific contents.

4. Marking and labelling:- (1) Packages containing a harmful substance shall be durably marked with the correct technical name (trade names alone shall not be used) and, further, shall be durably marked or labelled to indicate that the substance is a marine pollutant. Such identification shall be supplemented where possible by any other means, for example, by use of the relevant United Nations number.

* as per the composite list of H.Ps, circulated annually by International Maritime Organization by means BLG circulars.

- (2) The method of marking the correct technical name and of affixing labels on packages containing a harmful substance shall be such that this information will still be identifiable on packages surviving at least three months immersion in the sea. In considering suitable marking and labelling, account shall be taken of the durability of the materials used and of the surface of the package.
- (3) Packages containing small quantities of harmful substances are to be exempted from the marking requirements.*

5. Documentations .-

- (1) In all documents relating to the carriage of harmful substances by sea where such substances are named, the correct technical name of each such substance shall be used (trade names alone shall not be used) and the substance further identified by the addition of the words "MARINE POLLUTANT".
- (2) The shipping documents supplied by the shipper shall include, or be accompanied by, a signed certificate or declaration that the shipment offered for carriage is properly packaged and marked, labelled or placarded as appropriate and in proper condition for carriage to minimize the hazard to the marine environment.
- (3) Each ship carrying harmful substances shall have a special list or manifest setting forth the harmful substances on board and the location thereof. A detailed stowage plan which sets out the location of the harmful substances on board may be used in place of such special list or manifest. Copies of such documents shall also be retained on shore by the owner of the ship or his representative until the harmful substances are unloaded. A copy of one of these documents shall be made available before departure to the person authorized by the Central Government or the Mercantile Marine Department.
- (4) When the ship carries a special list or manifest or a detailed stowage plan, required for the carriage of dangerous goods by the International Convention for the Safety of

* Refer to the IMDG Code adopted by the Organization by resolution MSC.122 (75), as it has been or may be amended by the Maritime Safety Committee.

Life at Sea, 1974, as amended or MS (Carriage of Cargo) Rules 1995, the documents required by these rules regulation may be combined with those for dangerous goods. Where documents are combined, a clear distinction shall be made between dangerous goods and harmful substances covered by these rules.

6. **Stowage:** Harmful substances shall be properly stowed and secured so as to minimize the hazards to the marine environment without impairing the safety of the ship and persons on board.
7. **Quantity limitations:-** Certain harmful substances may, for sound scientific and technical reasons, need to be prohibited for carriage or be limited as to the quantity which may be carried aboard any one ship. In limiting the quantity, due consideration shall be given to size, construction and equipment of the ship, as well as the packaging and the inherent nature of the substances.
8. **Exceptions:-** (1) Jettisoning of harmful substances carried in packaged form shall be prohibited, except where necessary for the purpose of securing the safety of the ship or saving life at sea.
(2) Subject to the provisions of the rules, appropriate measures based on the physical, chemical and biological properties of harmful substances shall be taken to regulate the washing of leakages overboard, provided that compliance with such measures would not impair the safety of the ship and persons on board.
9. **Port State control on operational requirements*:-**
 - (1) A Ship when in a port is subject to inspection by the surveyors or officers duly authorized by Central Government concerning operational requirements under these rules, where there are clear grounds for believing that the master or crew are not familiar with essential shipboard procedures relating to the prevention of pollution by the Packaged Harmful Substances.
 - (2) In the circumstance given in sub-rule (1), the Principal Officers shall take such steps as will ensure that the ship shall not sail until the situation has been brought to order in accordance with the requirements of these rules.
 - (3) Procedures relating to the port State control prescribed in article 5 of MARPOL 73/78 Convention shall apply to this rule.
 - (4) Nothing in this rule shall be construed to limit the rights and obligations of the Central Government carrying out control over operational requirements specifically provided for in the present MARPOL 73/78 Convention.

(Contd. from page 12)

force with eight-metre seas.

The Newcastle Port Corporation's incident control system was activated at 0830 hrs on June 8, suggesting that the corporation was not sufficiently responsive to the increasing seriousness of the situation until this time.

"Subsequently, weather advisories to ships, notifications to the Australian Maritime Safety Authority and offers to assist Pasha Bulker were made at a late stage in extreme conditions," the report said.

After the Pasha Bulker got under way at 0748 hrs on June 8, "the master became increasingly overloaded, and affected by fatigue and anxiety and his inappropriate control of the ship at critical times led to her grounding", the report said.

He had declined an offer of assistance from the traffic centre at 0927 as the ship approached the coast and attempted to turn towards the lee shore with it less than a mile away.

The Pasha Bulker was grounded for 25 days and required a huge salvage operation to free her from the beach.

Capesize bulker breaks \$300,000 rate: Capesize indices



are hovering at all-time highs. THE roaring dry bulk market saw a record \$300,000 per day passed today to charter a large capesize vessel.

The 203,512 dwt, 2006-built carrier China Steel Team was booked at a rate of \$303,000 per day from May 28 for a fronthaul voyage to carry iron ore from

Brazil to China.

That is three times more than its last fixture a month ago, when Swiss Marine paid \$95,000 per day. The charterer was not reported by the Baltic Exchange.

The bulk carrier is owned by Taiwanese-based China Steel Corp.

Despite the high numbers seen for Brazil cargoes, the cooling panamax sector helped drive the Baltic Dry Index down for a second consecutive day.

The index retreated 123 points (1%) to 11,648 points.

The record-breaking capesize fixture came as Baltic Exchange chief executive Jeremy Penn was reported as saying that customers "wanted a ship at any price".

He said China's steelmakers are shunning imports of Australian iron ore as negotiations on the raw material's price have dragged on to almost seven weeks more than usual.

Mr Penn said steelmakers are instead hauling more iron ore from Brazil,

increasing average voyage lengths and boosting commodity-shipping rates to records.

It costs \$45.29 per tonne to ship iron ore to China from Australia compared with \$107.58 from Brazil, according to prices from the exchange.

"The Chinese are simply not buying as much iron ore right now from Australia," Mr Penn said.

Mike Reardon, a Houston-based researcher with derivatives broker Imarex said the drop was "nothing too extreme".

He said limited activity in the panamax sector brought rates and sentiment down. "Charterers' patience has paid off - for now." he said toay in a report.

"If underlying demand remains firm, however, then commodities will still need to be shipped in due course. Worth noting, again is the continued strength of the smaller classes."

Handysize indices as well as capesize indices hover at all-time highs, even though the fundamentals driving rates appear unrelated.

The capesize rally has been partly attributed to BHP Billiton, and Rio Tinto Group, locked in negotiations with Chinese steelmakers over the 2008 contract price for iron ore. They want a bigger increase than the 65% that Brazil's Vale achieved to reflect the freight savings that can be made by shipping ore from Australia rather than Brazil.

Contract prices are agreed once a year and are normally completed by April 1.

India bars statutory inspections by 6 survey entities from August: The decision, however, will not affect their ability to carry out design, plan approval or construction surveys.

● Economy and Politics

Bangalore: In a bargaining move aimed at securing full-time membership for India on a body that classifies and certifies the design, construction and maintenance of ships globally, India's shipping ministry has decided to revoke the permission given to six major entities



in this field to operate in the country from August.

Change of guard:A file photo of JNPT. The Union government says the Indian Register of Shipping is in a position to undertake surveys mandated by the International Maritime Organization to periodically check sea-worthiness of ships. (Photo: Ashesh Shah/Mint)

India's maritime administration, the Directorate General of Shipping (DGS), sent out notices last week to six of the 10 full-time members of the International Association of Classification Societies, or IACS, which works as per the requirements of the International Maritime Organization, or IMO, to wind up their statutory survey operations by August.

As a result, these entities will be derecognised by India and barred from conducting statutory surveys on Indian flag ships or ships that are registered in India. The Indian Register of Shipping, or IRS, will then have monopoly over such activity in India. Statutory surveys are performed periodically to ensure that

ships are maintained as per IMO specifications.

The 10 full-time members of the IACS include American Bureau of Shipping, Bureau Veritas, Det Norske Veritas, Germanischer Lloyd, Nippon Kaiji Kyokai, Lloyd's Register, Russian Maritime Register of Shipping, China Classification Society, Korean Register of Shipping and Registro Italiano Navale. Of these, the first six were permitted to operate in India, remaining four were not.

IRS is currently an associate member of IACS but this status will expire soon; Mint could not immediately verify when J. C. Anand, chairman, IRS, maintained there is "no time- limit for the associate membership granted to his firm".

IACS officials were unavailable to comment for this story.

The so-called classification societies have developed rules and regulations that set standards for the design, construction and maintenance of ships. These societies are authorized to act on behalf of various maritime administrations such as India to verify that ships comply with various codes of IMO, the global maritime regulator, on sea and cargo worthiness. Ships that are not certified by a classification society are not allowed to take to the sea. More than 90% of the world's cargo-carrying ships are covered by the classification design, construction and through-life compliance rules and standards set by the 10- member societies and one associate of IACS.

"Now, the government is satisfied that the Indian Register of Shipping is in a position to undertake the entire survey requirements of the government of India," said the notice served on the classification societies by the DGS.

"The government has taken the decision after carefully monitoring and evaluating the performance of IRS over the years.

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In fact, it is in line with the practice adopted by several international maritime administrations," said Anand, chairman of IRS. But, there are other reasons for derecognizing the IACS members over statutory surveys.

"Looking at the stature of the Indian maritime industry, it is high time IRS was given the status of a full-time member of the IACS," said an official with the shipping ministry who asked not to be named.

"The decision was also taken to strengthen our own national institutions." Several non-members, including India, are trying to break into IACS without success. India's decision, however, will not affect the ability of the six entities to carry out design and plan approval or construction surveys of ships.

The decision only relates to statutory surveys. They are allowed to carry out other activities such as design/plan approval and construction survey of ships," said an official with the DGS. The official did not want to be identified.

However, industry experts do not preclude the possibility of IRS also getting full responsibility of design/plan approval and construction survey of Indian registered ships. "At this rate, it won't be long before IRS gets full responsibility over these activities also," said a shipping industry official who asked not to be named.

Anand believes that the government's decision will not harm its relationship with other full-time members of the IACS or lead to a retaliation from other maritime nations. "We have very good relations with all member of IACS. This will not put us in confrontation with other full-time members who are active in India," Anand said.

The government's decision to revoke the permission given to the six firms to carry out statutory surveys comes a few months after inspectors from the European Commission (EC)'s competition directorate raided the offices of many members of the IACS on 29 January to investigate collusion allegations.

The raids came after non-members such as Poland's society PRS accused IACS of excluding it and other non-members from talks overframing common structural rules and technical standards on safety.

The EC was acting on information "suggesting that the practices of IACS or its members had sought to reduce the level of competition between IACS

members and to foreclose competitors (non-members of IACS)".

IACS chairman Tor E Svensen had denied this charge. EC investigations are still on.

SCI Outsourcing: The Shipping Corporation of India (SCI) proposes to outsource management of ships. Keeping in view the business dynamics and availability of qualified and competent manpower, the shipping companies all over world including some Indian companies often place their vessels for manning and management under the charge of competent and qualified managers in course of their business. The Shipping Corporation of India (SCI)'s decision is primarily actuated by the acute shortage of qualified and competent seafaring officers which in the recent past has resulted in the loss of trading days.

The seafarer's unions namely Maritime Union of India(MUI), National Union of Seafarers of India(NUSI) and Forward Seamen's Union of India(FSUI) along with SCI Officers Association and SCI Staff Union jointly opposed the notice issued by SCI inviting tenders for manning and technical management of 30 vessels. The Seafarer's Unions apprehend loss of job of the seafarer's as a result of placing the SCI vessels on manning and technical management. SCI Officers Association and SCI Staff Union alleged that the jobs of clerical/ technical nature could not be outsourced under the agreement with the Staff Union. They also demanded stopping of the tendering process and convening a meeting with them.

A reply was sent by SCI to MUI, NUSI, FSUI, SCI Staff Union and the SCI Officers Association on February 8, 2008 explaining the rationale of the decision and assuring that there would be no loss of employment opportunities and the SCI management will completely abide by all subsisting agreements and settlements. It was also clarified that a settlement in relation to the shore staff that is non-seafaring personnel provided that only the clerical jobs which are of perennial nature would not be outsourced and that the contract would not in any manner run contrary to the said settlement. The Seafaring Unions were assured that in the event of manning and technical management being outsourced, the Seafarer's would continue to be employed. The management also had a meeting with the representatives of the Unions to address their concern and to assure them that in the event the vessels

were outsourced, they would be taken into confidence. Government has been informed by the SCI about their decision.

This information was given by the Minister of Shipping, Road Transport and Highways, Shri T.R. Baalu in a written reply in the Lok Sabha.

Proposal to develop shipyard in Andhra Pradesh:

The Chief Minister of Andhra Pradesh, Shri Y.S.R. Reddy called on the Union Minister of Shipping, Road Transport & Highways, Thiru. T.R. Baalu here today to discuss the modalities of setting up of an international size shipyard on East-Coast.

It may be recalled that the Government of India proposes to set up two international level Shipyards - one on the East Coast and the other on the West Coast. The State Government of Andhra Pradesh has offered to make available 2000 acres of land within next six months free of cost to the Centre for the development of shipyard. It has proposed to develop the shipyard at Vodarevu Port in Prakasam district of Andhra Pradesh.

Thiru Baalu told the Andhra Chief Minister that the Ministry of Shipping, Road Transport & Highways is ready to sign a Memorandum of Understanding (MoU) with the Government of Andhra Pradesh to chart out a detailed road map for the development of the proposed shipyard. The MoU is expected to be signed by the middle of the next month.

During the meeting it was discussed that time bound construction and development of Vodarevu port would be completed within two years. Thiru Baalu emphasized that State level statutory clearances should be granted in a time bound manner to ensure that the project is completed within the given time. He also requested the State Chief Minister to develop an all weather road approach from the state highway to the site of the project and also to ensure supply of at least 15 mega watt of un-interrupted power to facilitate the early completion of the project.

The State Chief Minister assured Thiru Baalu that preparation of the techno-commercial feasibility report and detailed project report would be completed within three to six months as a Consultant has already been engaged for the purpose. Thiru Baalu stated that the Government will arrange timely clearances at the Central level and facilitate the requisite rail connectivity.

Regarding the road projects in the State, Thiru. Baalu informed the Chief Minister that during the previous financial year, the estimates amounting to Rs. 247.00 crore were sanctioned under Central Roads Fund (CRF) for Andhra Pradesh. He said that the proposal for the current financial year under CRF would be sanctioned as per the priority set up by the State Government. He also informed the Chief Minister that his Ministry has sanctioned an amount of Rs. 100.00 crore for development works and Rs. 80.00 crore for maintenance work during the previous financial year to improve the condition of National Highways in the State.

Shipping lines raise freight charges citing high oil prices:

Shippers have to dig deeper into their pockets after the main shipping lines operating in Mombasa and the East Africa region raised the bunker surcharge to 54.56 per cent, which is double the rate charged two years ago.

The increase, which was effected on May 10 by the East African Conference Lines (EACL) trade association in a notice to its member lines, reflects the recent sharp rise of world oil prices.

The notice issued from the EACL London office said: "Having regard to the increase in Bunker prices, the member lines have announced that the current bunker surcharge will be revised to 54.56 per cent effective on all shipments south bound by vessels sailing from each port of loading on and after 10th May 2008.

The situation will continue to be closely monitored and the surcharge adjusted accordingly," said the notice that comes barely six months after the last review on December 10.

EACL brings together the giant Mediterranean Shipping Company (MSC), West European Company (WEC) Lines and the government-owned Kenya National Shipping Line (KNSL).

Bunker surcharge, otherwise referred as fuel cost adjustment factor, is the additional charge levied by shippers to compensate for fluctuations in the price of the ship's fuel.

Bunker prices comprise a major component of the overall costs for operating a vessel.

With the price of fuel in the world market hitting the highest mark ever, local shippers are anxious about how the increased freight charges will affect the cost of imports and ultimately their

products.

"Any remarkable changes on bunker charges have a direct bearing on the freight charges, a rise in the price of bunker means high cost of shipping hence we are likely to see shipping lines review their freight charges accordingly," says maritime expert Fredrick Wahutu, who is currently the chief executive officer of Kenya Ships Agents Association (KSAA).

Captain Wahutu described the rate of 54.56 per cent surcharge as high, but said it was reflective of the oil price trend in the world.

As at Monday, the international bunker prices in many bunkering ports, particularly in Cape Town, South Africa, ranged between \$560 to \$626 for the heavy fuel varieties (IF 380 and IF 180) and \$1,171 to \$1,226 for marine gasohol.

The current EACL surcharge is much higher than the 28.16 per cent charged in September 2006. It also shows that the rate has almost doubled.

The surcharge that has been applying since December 10 last year was 46.09 per cent on all shipments south bound by EACL vessels, while the figure of the preceding quarter (September 10 to December 9) was 37.63 per cent.

In 2004, the bunker price averaged \$175, which compares dismally with the current \$560 to \$585 for heavy fuel.

Shipping experts say a large container carrier (VLCC) consumes 90 tonnes per day.

If sailing for 320 days per year, which is normal, it will consume a staggering 28,800 tonnes of bunkers.

This would cost over \$10 million per year or \$29,000 per day.

Thus, bunker costs are about double other operating costs (manning, insurance, supplies).

For tankers in the spot market, the price of bunkers is critical in determining profitability.

Illinois native gets hooked on filming modern-day terrorists of the seas:

Increasing awareness to ultimately bring about positive change takes someone who is willing to step up to the proverbial plate.

Michael Rawlins, producer and director of "Primp: Pirates of the Malacca Straits," decided to do just that by bringing to light the frequency, dangers and reality of

modern day piracy.

To much of Western society, pirates may seem like a thing of the past, chronicled in movies as a swashbuckling, good-looking, Johnny Deep-type figure. But these days a primp (pirate in Indonesian) is more likely to wield an automatic weapon than a sword. And they don't have to rely on the wind to guide their sails, but make their getaway in high-powered speedboats.

As a Merchant Marine officer for the last 15 years, hearing multiple reports of piracy was almost an everyday occurrence for Rawlins.

In general, the Merchant Marines are civilian, but run government-contracted vessels, oil tankers and commercial freighters all over the world.

Rawlins decided to expose the nature and danger of modern day piracy after a crewmember suggested that he (or someone) should put together some sort of movie to let people know what is happening in some of the most important waters in terms of commercial trade.

"I thought to myself, 'Well, if not me, then who?'" Rawlins said. "It's been a 'hot potato' issue for a long time that countries just don't want to deal with."

A Carlinville native, Rawlins graduated from Southern Illinois University Edwardsville with a degree in broadcasting. He began his career as a broadcast journalist and is no stranger to the film industry. He left the world of broadcasting to travel the world after hearing about the Merchant Marines from a former classmate's father.

Surprisingly, he said there are several people he knows of from Carlinville, a small town of about 5,700, who are in the Merchant Marines.

"My father was in the Navy in World War II and I had always been intrigued by the sea," Rawlins said. "I started talking with a man who had a son in the Merchant Marine, and it sounded really interesting."

Rawlins ended up at boot camp in Maryland, and three months later found himself on a ship.

"At first I thought I would be in for two years, then five and now it's been 15," Rawlins said.

Two years ago, he decided to begin work on the documentary, and the next thing he knew, he was organizing a crew and investigations were under way.

The groundwork began with Rawlins; David M. Crabtree, producer,

cinematographer and editor; and logistical coordinator Robert Duke, Jr. traveling through Malaysia, Singapore and Indonesia. Rawlins said contacts were made in bamboo huts and money changed hands.

"We interviewed ex-pirates, policemen, fishermen, villagers and ship's crewmen," Rawlins said.

Without giving too much away, Rawlins said a group of pirates gave him and his film crew a taste of the real thing with a behind-the-scenes-look at what is a way of life in some parts of the world. The film crew used infrared light to capture the experiences on film.

"We were warned that piracy is ruthless," Rawlins said. "A lot of people we tried to talk to would tell us they knew nothing about it - even though we knew they did."

Many times they ran into dead ends and thought they were done as far as uncovering enough useable information for the documentary. But eventually, there were people who talked to them - some for a price.

He said Duke has a natural knack for talking to people, and he really got down in the trenches and found a group that was willing to talk.

Rawlins received a call from Duke who said, "It's on brother - NOW."

Rawlins went to the parking lot and got into an SUV without the least idea of where he was going - or how safe it was.

"I think more than being scared, at that point I was confused about what was going on," he said.

The film crew found themselves at an inlet where a boat of armed and masked men waited.

"They told us to film them and then 'Get out!'" Rawlins said. "They told us we would be going with them at night, too."

That night a guide took Rawlins and his crew to a boat full of masked men; they boarded and took off into the ocean. Communication was through an interpreter, converting the pirates' Indonesian language to English.

"Basically, it seems there are no pirate brethren," he said. "They're all independent, either as opportunists, regular people trying to feed their families or for political gain."

Most do not think of themselves as criminals in the true sense of the word. Rawlins said they tend to rationalize what they are doing.

"I think the idea of having their story told was appealing to them," Rawlins said. "Maybe it appealed to their ego. They just didn't want to get burned or exposed."

"I was concerned about my crew and equipment, but I just didn't get that nervous for myself until I saw the footage with the infrared light. That looked a little scary."

Through the filming, there was smoke, a lot of yelling and glowing eyes in a mask.

"I wondered what we would do if the police came, and here we were filming armed pirates," he said. "But I tried to check all my emotions at the door and just get the job done that we were there to do."

Rawlins has been to more than 40 different countries and traveled through some of the biggest piracy hotspots in the world as a Merchant Marine officer. He almost made it to Antarctica for the South Pole Run on a special ship commissioned for just that purpose. At the last minute plans changed.

"Maybe someday I'll get there, too," he said. "But I have seen an awful lot of the Caribbean, South and North America, Africa, Europe and Asia, especially in the Far East run between Japan and Korea."

Rawlins is also the author of "The Last American Sailors: A Wild Ride in the Modern Merchant Marine." He has written pieces for Professional Mariner Magazine and City Lights Publishing's "Instant City" series of short stories.

Duke holds a U.S. Coast Guard license as Oceans Master. He has been a professional Merchant Mariner for more than 25 years. Crabtree has a degree from the University of Southern California School of Cinema-Television.

The Malacca Strait is a about a 550-mile narrow stretch of water considered one of the most important shipping lanes in the world. It stretches between West Malaysia and the Indonesian island of Sumatra, serving as the main shipping channel between the Indian and Pacific oceans. More than 50,000 vessels pass through the strait every year carrying more than 25 percent of the world's trade goods including about one quarter of all oil.

Other areas of reported pirate attacks in recent years include waters of the South China Sea, the Indian Ocean, the Caribbean, South America (Pacific and Atlantic) and West and East Africa.

Some pirates are looking for easy profit, to help make ends meet, robbing ships

and crews of money and other valuables. The groups may be made up of everyday citizens with everyday jobs who "moonlight" as pirates. Much of this type of piracy stems from poverty and poor economic conditions.

Another kind of pirate is part of an organized group that may kidnap crews for ransom, and are looking for gain to further terrorism or other political motives. These pirates' operations have been compared to land-based organized crime syndicates.

The high-definition documentary "Primp: Pirates of the Malacca Straits" takes an inside look at this world of modern high seas piracy.

Rawlins said pirates assault sailors and board vessels with grappling hooks. They often victimize crews who may, in the end, be wounded, killed or set adrift. In some cases, even luxury cruise liners have come under attack, including the 10,000-ton Seabourn Spirit carrying 302 people (guests and crew), attacked by Somalia pirates as it rounded the Horn of Africa in November 2005 (the pirates were prevented from boarding). In April, Le Ponant, a small French cruise ship carrying 30 crew members (no passengers) off the coast of Somalia was seized by pirates (who were later caught).

According to the International Maritime Bureau, in 2003 there were 445 reported pirate attacks worldwide, with 21 sailors killed and 71 missing. But, Rawlins said, the actual number of crimes is likely much higher due to an alleged maritime industry-wide cover up. It is believed that less than 10 percent of piracy is reported because shipping companies are desperate to avoid bad publicity, higher insurance premiums and costly security personnel.

Rawlins said officials at IMB say if the crimes aren't reported, they cannot be tracked.

Rawlins developed Green Ray Films, LLC specifically for the porampo documentary, but the company has already been approached for more projects.

Toronto, Canada-based Canamedia Productions is working with Rawlins to develop a reality television series, "Pirate Hunters," taking the modern-day piracy exposure a step further, with plans to begin airing in January.

"We're really excited about the television show, and it means we'll be doing more, finding out more, talking to more

people," Rawlins said. "It will really help get the message out there."

Shipowners put under

pressure: As ship operators begin to assess the potential costs of implementing the requirements of Annex VI to the International Convention for the Prevention of Pollution from Ships (Marpol) they should be aware that additional amendments to the Annex have been proposed and approved at the recent (57th) Session of the Marine Environment Protection Committee (MEPC) of the International Maritime Organisation (IMO).

As the specific instrument to address the issue of harmful emissions from ships, Annex VI came into force in May 2005, but the need for an early review was recognised by MEPC being perhaps, an indication that the initial provisions had not gone far enough and indeed, confirmation of the growing awareness that global warming is now a fact of life on this planet.

Annex VI has so far been ratified by 49 countries, representing approximately 74.77 per cent of the gross tonnage of the world's merchant shipping fleet.

The main changes would see a progressive reduction in sulphurous emissions from ships, with the global sulphur cap reduced initially to 3.50 per cent (from the current 4.50 per cent, effective from January 1 2012; then progressively to 0.50 per cent, effective from January 1 2020, subject to a feasibility review to be completed no later than 2018.

The limits applicable in Sulphur Emission Control Areas (SECAs) would be reduced to 1.00 per cent, beginning on March 1, 2010 (from the current 1.50 per cent); being further reduced to 0.10 per cent, effective from January 1, 2015. (In the current Annex VI, there are two SECAs designated, namely, the Baltic Sea and the North Sea area, which also includes the English Channel).

Progressive reductions in nitrogen oxide emissions from marine engines were also agreed, with the most stringent controls on so-called 'Tier III' engines, i.e. those

installed on ships constructed on or after January 1, 2016, operating in emission control areas.

The revised Annex VI will allow for an Emission Control Area to be designated for SOx and particulate matter, or NOx, or all three types of emissions from ships, subject to a proposal from a party or parties to the Annex which would be considered for adoption by the IMO, if supported by a demonstrated need to prevent, reduce and control one or all three of those emissions from ships.

The proposed draft amendments to Annex VI and the NOx Technical Code will now be submitted to MEPC 58 (which meets next October 6 to 10) for adoption, in accordance with an agreed timetable. This would see the revised Annex VI enter into force in 2010.

Perspective

Recently an article in The Guardian put the issue into perspective regarding the environmental impact from shipping although it was certainly unfair in its assertion, "Until now, reducing CO2 emissions from the world's fleet of almost 90,000 large ships has not been a priority for governments or shipowners."

Since Annex VI was drafted in the early 1990s and adopted by the IMO back in 1997 - long before much of the other environmental momentum had gathered pace, this is for once a clear vindication of the IMO in this respect - particularly since the IMO is a UN organisation comprising member governments that will subsequently convey the requirements through their respective Flag administrations to the shipowners. Furthermore, the fact that the IMO recognised the need for a review of Annex VI, so soon after the Annex entered into force, is a clear rebuff of the claim made by the Guardian.

However, The Guardian was accurate in its example that the largest container ship in the world (Emma Maersk) does have the potential to emit more than 300,000 tonnes of CO2 a year as it plies its route between China and Europe burning nearly 350 tonnes of fuel a day!

This is a serious reminder of the environmental challenges now facing the

industry and these are further exacerbated by the current shipping 'boom' with many newbuildings in the pipeline that will increase the tonnage on the high seas over the next five years, despite any downturn in business due to economic pressures.

Enforcement issues cloud future of IMO recycling convention. THE International Maritime Organization Convention for the Safe and Environmentally Sound Recycling of Ships faces continued debate, as the industry prepares for the convention's formal adoption, which is due to take place one year from today.

"The IMO Convention is now inevitable," said IMO marine environment division senior imp...

Maritime Transport: blue horizons of commitment. The European Commission is preparing a strategic reflection on the future of EU Maritime Transport in the horizon 2008-2018. On the eve of the first European Maritime Day, the European Commission has invited a number of senior shipping professionals[1] to discuss the strategic challenges and opportunities for European shipping and the maritime transport system over the next decade. The European Commission has initiated a strategic reflection into the best ways to ensure a prosperous future for European shipping.

Maritime transport carries 90% of European imports and exports and 40% of intra-EU trade. The availability of quality shipping services is crucial for the EU trade and security of energy supply. Shipping is also a most economic and sustainable mode of transport.

Europe needs to guarantee that maritime transport can accommodate the fast changes in the globalised world and look into a bright future. Europe needs also to maintain a competitive European maritime cluster with highly qualified seafarers and maritime professionals.

This dedicated think-tank is composed of highly esteemed professionals, in their personal capacity, covering different sectors in shipping and the maritime

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transport cluster. This strategic exercise is carried out in a joint effort with the maritime transport administrations of the European Economic Area Member States.

Strategic importance of shipping: The current exercise is part of the EU Integrated Maritime Policy. It covers the strategically vital sector of maritime transport that creates, among others, significant added value and EU employment. The exercise follows the renewed Lisbon strategy and 2006 mid-term review of the White Paper on Transport Policy[2].

European shipping is one of the most competitive shipping industries in the world. It represents 42% of the world merchant fleet and is present in all segments of the shipping markets. European shipping services sustain also a substantial part of the intra EU seaborne trade, of the seaborne connections between Europe and its main trade partners and of cross trades between third countries.

Almost 90% of the European Union's external trade goes by sea. Short sea shipping performs over 40% in intra-EU tonne-kilometres. That equates to about 3.5 billion tonnes of freight loaded and unloaded (of which more than 90 million container transfers) in EU ports and 350 million passengers transported every year.

The EU is committed to supporting this sector to thrive, contribute to the EU economical growth and provide jobs in an innovative, safe and environmentally sustainable manner.

Looking forward: Over the next ten years we can expect a substantial increase of both international and intra-EU seaborne trade. This implies a considerable growth in shipping operations in all the maritime façades of the Union and significant challenges to the sustainable development of the overall transport chain.

A strategic vision looking at the development of shipping, ports and related sectors for the short, medium and long terms is essential for streamlining the EU maritime transport policy so that it can best benefit from future opportunities and face the incoming challenges.

Maritime Transport: blue horizons of commitment: In 1996 the Commission presented a



Communication "Maritime Transport: blue horizons of commitment". It put forth a long-term vision on Europe's strategic thinking in the maritime transport sector. It has served well as a basic guideline but need to be updated.

Before the end of 2008, the Commission intends to present a Communication "Maritime Transport: blue horizons of commitment". These blue horizons will encompass the input from the senior shipping professionals and from the Member States together with an economic analysis of trends, opportunities and challenges until 2018. It will be the result of a wide consultation with all interested parties, building also on the input received that led to the adoption of the Maritime Policy Communication in October 2007. The "Maritime Transport: blue horizons of commitment" will provide the strategic framework for EU policy development in the years to come.

List of invited senior European maritime transport professionals

- Mr. Detthold Aden, BLG Logistic Group
- Mr. John Coustas, Danaos Corporation
- Mr. Leo Delwaide, ex-Port of Antwerp
- Mr. Philippe-Louis Dreyfus, Louis Dreyfus group
- Ms. Cecilia Eckelmann-Battistello, Contship Italia, Eurokai
- Mr. Nikos Efthymiou, Union of Greek Shipowners
- Ms. Elisabeth Grieg, Grieg Shipping Group AS
- Mr. Emanuele Grimaldi, Grimaldi Lines
- Mr. Dagfinn Lunde, DVB Bank AG
- Mr. Brian Orell, NAUTILUS

Mr. Knud Pontoppidan, A.P. Møller - Mærsk A/S

Mr. Marnix van Overklift, Seatrade Group

TARTA: Public transportation use has increased as fuel prices have continued to climb, TARTA General Manager James Gee said. "What we've seen so far this year as a result of gas prices is that our ridership is up 8 percent from 2007 for the first three months of the year," he said. TARTA's Muddy Shuttle service, which transports passengers from suburban areas Downtown for Toledo Mud Hens games, had seen a 12 percent increase for the first 12 home games of the 2008 season compared to a year ago, Gee said.

But with the spike in business has come a hit to TARTA's budget because of the rising price of diesel fuel, Gee said. TARTA paid an average price of \$2.32 per gallon for fuel last year. For TARTA's most recent purchase order, that price was \$3.70, an increase of almost 60 percent. TARTA uses approximately 1.3 million gallons of fuel each year to operate its fleet of buses, Gee said. Adult fares cost \$1, weekly passes cost \$10 and monthly passes are \$40.

"We are looking at ways we can provide the service more efficiently," he said. "We may have to look at service cuts and perhaps a fare increase."

Ferry service: Northwest Ohio residents could soon see ferry services to various locations thanks to Toledo's new maritime passenger terminal, McCrimmon said. "We're anticipating in the future ferry services out of here not just to the islands, but to Detroit, across to Cleveland and certainly across the lake," he said, noting test runs were expected to take place this year. McCrimmon said he expects business to continue to grow at Toledo's seaport because of its location, the affordability of maritime shipping and its environmental advantages. "Economics will drive the way that cargo goes. We're comfortable that we can demonstrate that from an economic perspective and from an environmental perspective there's a lot of advantages to ship through Toledo," he said.

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