CHAMBER OF SHIPPING
OF AMERICA

STATEMENT FOR SUBCOMMITTEE ON COAST GUARD

AND MARITIME TRANSPORTATION

ON

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IN ROOM 2167 RHOB

PREPARED BY

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Thank you, Mr. Chairman. Good morning to you and the other Members of the subcommittee. I am Joseph J. Cox, President and CEO of the Chamber of Shipping of America (CSA). We appreciate the opportunity to testify on the important topic of marine safety. CSA is an association of companies that own, operate or charter vessels engaged in the domestic and international trades of the United States and companies that are in closely allied businesses. There are currently thirty-one members of the association. Before discussing the issue of marine safety, we would like to make several points.

The entire maritime industry, including domestic and international operators, is very much involved in maintaining this industry's high level of safety and environmental protection. Mr. Chairman, it is a high level of safety and it is unfortunate that this achievement is not widely appreciated by the American public. We seem to get media and public attention only when a problem develops which, due to the diligence of our seagoing and shore staffs, occurs infrequently. While the entire industry is concerned with maritime safety and security, the Coast Guard's marine safety program has a predominant impact on US vessels.

We would also like to point out that since 9/11, we have been concerned with the security of our industry. Congress passed the Maritime Transportation Security Act (MTSA) and the Administration developed regulations under MTSA. CSA and many others were directly involved in the development of security measures. In fact, safety and security have become intertwined of necessity; the International Ship and Port Facility Security Code (ISPS) is a part of the Safety of Life at Sea Convention (SOLAS) and inspections for conformance to safety requirements under SOLAS may include conformance to ISPS. In conducting inspections, we think it would be beneficial for the vessel personnel to be fully aware of the reason for a boarding by the Coast Guard and in some cases other government personnel. At times, it could be a safety inspection or a security compliance inspection, or both, or it could be a law enforcement boarding. In any case, we believe the vessel personnel should be aware of the type of boarding taking place.

We have long known that the seafarers are the backbone of safety within the industry. We will discuss below a few negative impacts on the seafarers that have a genesis in security although the impact on their safety status is similar; we cannot regard them in one way for security and in another for safety. The seafarers that we have a high regard for in making sure that our operations are at the highest safety levels are the same seafarers that we rely on to maintain the security posture of our vessels and therefore have a large role in the vulnerability status of our industry. When the MTSA was passed and steps were taken at the International Maritime Organization to develop ISPS, seafarers were identified as partners in maritime security. We should honor that status.

Our members have reviewed the request to testify at this hearing and have identified a number of issues that we believe should be positively reviewed and adjustments considered. We will address these under the titles of: 24/7 Operations; Uniformity; Redundancy; Professional Expertise; and, Resources.

24/7 OPERATION

The maritime industry operates, as any service industry does, responding to the needs of its customers, in our case the cargo owner. Since cargo is expected to move in the most efficient, cost effective way, our operations are designed to meet a 24/7 need. We carefully schedule provisioning, crew changes, bunkering, class inspections, and a myriad of other operations around the needs of our 24/7 operation. The entire industry, seagoing and shoreside recognize that scheduling is paramount to successful operation of vessels. The response of the marine safety program should recognize our operational needs. While we recognize that an owner should not expect an immediate response to a call for an inspection on a Friday evening, he should nevertheless expect a response that recognizes the operational necessity for the call.

UNIFORMITY

We experience frustration when a Captain of the Port (COTP) issues a ruling that is contradictory to a previous ruling or that of another COTP. This creates varied interpretations and uneven application of SOLAS, MARPOL and MOU's such as the Alternate Compliance Program. The industry routinely supports the federal government's primacy in maritime matters when we see encroachment by individual states. The reason we object to the disparate rules is the chaos it causes the industry which must call into various ports. We understand the need for flexibility in interpreting rules and regulations; here we refer to uniformity at a basic level that does not involve a judgment on a specific condition on board a particular vessel, i.e. in making a judgment, one person may have a differing evaluation of a condition than another person. That difference is understandable; less understandable is an office refusing to accept a decision of another office on the acceptability of a piece of equipment, e.g. a type of liferaft.

REDUNDANCY

Several years ago, CSA initiated an industry request to the Coast Guard to reduce redundant inspections. We were experiencing duplicate inspections by class society and the Coast Guard on any specific U.S. vessel. This was placing a burden on our seafarers who had to respond to the inspection and on the shore staff overseeing the operations as the shoreside is routinely directly involved in inspections. There was a very welcome positive reception of our suggestion by senior level officials and a somewhat muted acceptance by the lower ranks. Over several months, we observed the process where Coast Guard and class society personnel performed a side-by-side comparison of the regulations of the Coast Guard and the rules of class. It was interesting to watch as each participant began to recognize that each party's regulations or rules, as the case may be, covered the particular subject in an equal manner. This effort resulted in the Alternate Compliance Program which has operated to the benefit of many companies. In this program, Coast Guard recognizes the inspection by class societies as meeting the vast majority of the regulations (with the exception of regulations covering personnel safety, life saving/firefighting and documentation). The Coast Guard also was to maintain an oversight by using a statistically valid review of class society work. This program should be fully embraced and all redundancy eliminated.

PROFESSIONAL EXPERTISE

We have an ongoing concern with the expertise of persons conducting marine inspections on our vessels. A common complaint is that a field-level inspector has the knowledge and understanding of a particular regulation but lacks the experience to apply the regulation to specific situations where judgment is required. This is not a condemnation of the inspector rather an acknowledgement that the current system may be placing the inspector in an untenable situation. In such circumstances, the easy answer to a complicated issue may be an incorrect one that results in delay, inefficiency and frustration on the part of our operating/shoreside personnel. There is an appeals process although it is time consuming in itself. With regard to the ongoing aspects of this issue, several years ago, CSA developed a draft program that would create an opportunity for Coast Guard inspectors who had finished initial training/education to be placed with companies or shipyards for a period to become acquainted with the industry and the 24/7 culture of operation. Unfortunately, the problem was one we will address below under resources, i.e. the inspectors were needed in the field and further training was not acceptable as it would prevent assigning the inspector to fill a current need. We recognize that in the above section, we have called for using fewer inspectors and in this section, we are saying to increase the opportunity to develop professional knowledge. A balance can be struck; expertise can be attained in a number of ways that do not include a direct responsibility for a particular inspection.

RESOURCES

We feel that the issues we identify can be traced in origin to the need for resources. More training, keeping personnel in place longer, placing more personnel to begin with and other changes have a cost in resources. We recognize that the Coast Guard was down-sized in the late 1990s and they have recently been adding personnel. While the additions are welcome, we have also seen a major increase in Coast Guard responsibility for security. Security is a major subject and resources must be assigned to those duties although the needs of safety are also important and must be accommodated if improvements are expected.

Mr. Chairman, at the beginning of this testimony we referred to the seafarers manning our vessels and the impacts on them. We recognize that there is another panel today that will address personnel matters in more detail although we want to make our views known. Seafarers are the key to our operational safety both on the vessels and in movement of the vessels. They are also a key to security. At a vessel level, they perform the functions of security officers and security watches and give form to the security requirements. In the larger maritime operational sense, they are in a position to recognize before most when a situation is not normal. Today, we believe they do not see themselves as a key in security rather they see themselves targeted. We certainly understand the need for security in the industry but we are concerned that seafarers are becoming disgruntled with their circumstances. Safety and security are closely entwined at the vessel level and we believe that the seafarers must be recognized as important persons in our security which will naturally spill over into safety and vice versa. Inspections performed for security purposes should recognize the status of the seafarer as a key participant in security of the vessel.

In conclusion Mr. Chairman and Members, the above is offered in a positive sense. In a recent presentation, Secretary Chertoff noted that the first measure of security is that we have a partnership. Safety is also a partnership and we offer our views accordingly. We are not suggesting that current operations are not safe or that Coast Guard or other government personnel are not concerned with safety; rather as a partner in safety and security, we believe that continuous review of safety responsibilities is necessary and improvement by all participants, including all levels of the Coast Guard, is a constant obligation. The industry is very proud of its on-going positive improvements in safety and security and we are dedicated to ensuring that these improvements continue. Our imperative is to find ways to enhance the synergy between effective safety and security programs, to further promote the use of Class to oversee and monitor safety and security in the marine industry and to find ways to enhance the professional development of the Coast Guard's Marine Inspectors and others involved in the program.

Thank you and I will be pleased to respond to your questions.