

PIRACY:

a call to action

Mark Martecchini, Managing Director Shipowning at Stolt Tankers, suggests that there is an important emerging role for classification societies to play in the fight against piracy, as the use of armed guards aboard ships increases.

Like many shipping companies, Stolt Tankers relies on the services of a number of major classification societies, also referred to as class societies or simply 'class', to help ensure that the Company's ships are operated and managed safely and effectively. These include Det Norske Veritas (DNV), Lloyd's Register, Germanischer Lloyd, Nippon Kaiji Kyokai and Bureau Veritas.

Traditionally, class societies have established and maintained technical standards for the construction and operation of ships and offshore structures. Today, they offer a much broader range of services, including operational audits of ship managers to ensure compliance with the ISM (International Safety Management) and ISPS (International Ship & Port Security) codes on behalf of flag states.

DNV, for example, describes its core competency as the ability 'to identify, assess, and advise on how to manage risk'. Similarly, Bureau Veritas sees itself as 'offering services and developing innovative solutions to reduce risk, improve performance and promote sustainable development'.

As the number of ships with armed guards aboard increases – and as the number of firms providing such security services inevitably rises – Martecchini makes a case that the growing challenge for the industry is how to ensure the quality of the people and processes used by providers of armed security. Class societies, says Martecchini, are tailor-made for the job.



Editor, *Stolten*

“ In June, the International Maritime Organization’s (IMO) Maritime Safety Commission (MSC) discussed how shipowners and flag states can better manage the problem of piracy in the Gulf of Aden and Indian Ocean.

Over the past three years, more and more shipowners, flags and charterers are recognising the unfortunate reality that governmental efforts to police those waters, while helpful, are not nearly enough to address the problem. The EUNAVFOR command acknowledges that, despite the shipowning community calling for more patrol vessels, fewer will in fact be available, as financial pressures on governments worldwide lead to different priorities. Shipowners are being left to deal with the situation as best they can, and the use of private armed guards is the only alternative to date that has demonstrated 100% effectiveness. Flag states are seeing the light, too. Liberia and the US were early adopters and, more recently, Norway and the UK accepted the use of armed guards. Most charterers accept their use, although for the most part refuse to pay for that which protects their cargo.

The IMO released MSC.1/Circ. 1333 and MSC.1/Circ. 1334 in June, providing guidance to governments and shipowners, respectively, on protection against piracy. For the first time, the use of armed guards was acknowledged and sanctioned, and introduced in Best Management Practices Version 4 (BMP 4), released in August 2011. The IMO’s Intersessional Maritime Security and Piracy Working Group met in mid-September and tackled the many practical and legal issues arising from the initial guidance, releasing MSC.1/Circ.1405/Rev.1, MSC.1/Circ.1406/Rev.1 and MSC.1/Circ.1408.

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As far as the use of private armed guards is concerned, the train has definitely left the station.

Yet one major challenge remains at the operational level: How do we in the industry ensure the quality of the people and processes used by providers of armed security? Many providers of security services use labour contracted on a job-by-job basis, making it difficult to standardise training, processes and reporting. At Stolt Tankers we include our own performance standards and control procedures in agreements with service providers, but we would prefer the adoption of an industry-standard approach. Some oil majors have resisted the use of armed guards but, when they do accept them, they will undoubtedly insist upon rigorous monitoring and control processes. Shipowners and flag states want the same. It’s the only way to manage risk effectively.

Some industry organisations have attempted to fill this vacuum. The Security Association for the Maritime Industry (SAMI) describes itself as an ‘independent regulatory trade association for maritime security companies’. That’s fine. But industry trade associations are typically neither independent nor regulatory. Certainly, SAMI has attracted a sizeable membership; many UK-based providers belong to it. But should SAMI also audit and verify procedural compliance? SAMI employs few people, none outside the UK, and doesn’t have an in-house auditing capability. Oil majors and shipowners know that auditing is the point of proof; where good words must give way to provable actions. Another industry organisation, the International Association of Maritime Security Professionals (IAMSP), is working to establish professional codes of practice and criteria for vetting and training. Good initiatives, to be sure, but not auditing.

So, what are the qualities needed in an organisation that would fulfil this role? Here are a few of the key criteria:

- True independence, transparency and credibility (no industry or trade group connections);

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- Proven expertise in marine onsite procedural auditing with a global footprint (shipboard audits must be performed in the Indian Ocean area with onsite personnel to keep costs down); and
- Acceptance of the organisations by flag states, on whose authority the certifications and/or audits would be performed.

And to ensure that costs are competitive, multiple auditors must be available.

Sounds to me like a perfect job for the classification societies.

Granted, liability issues are always a concern. But class would only verify that security providers have appropriate training and procedures that meet a pre-defined standard, and that those procedures are followed in practice. In other words, they would perform essentially the same function that they do in an ISM or ISPS audit. Would there be potential legal risks if a security provider failed to follow procedures and someone was accidentally injured or killed? The lawyers would say yes. But how would those risks be different from an instance in which, say, a positive ISM audit (ship and crew demonstrably meet standard) is followed by an explosion or collision that results in injury or loss of life?

More work needs to be done with legal regimes in the flag states for which class would act as representatives in certifying providers, but that is a solvable problem.

The use of armed guards as a deterrent to piracy is an unfortunate necessity that is fast becoming standard and best practice for the industry. Having a reliable and effective means for ensuring the quality of security services providers is essential. Classification societies are well suited to fill this vital role.