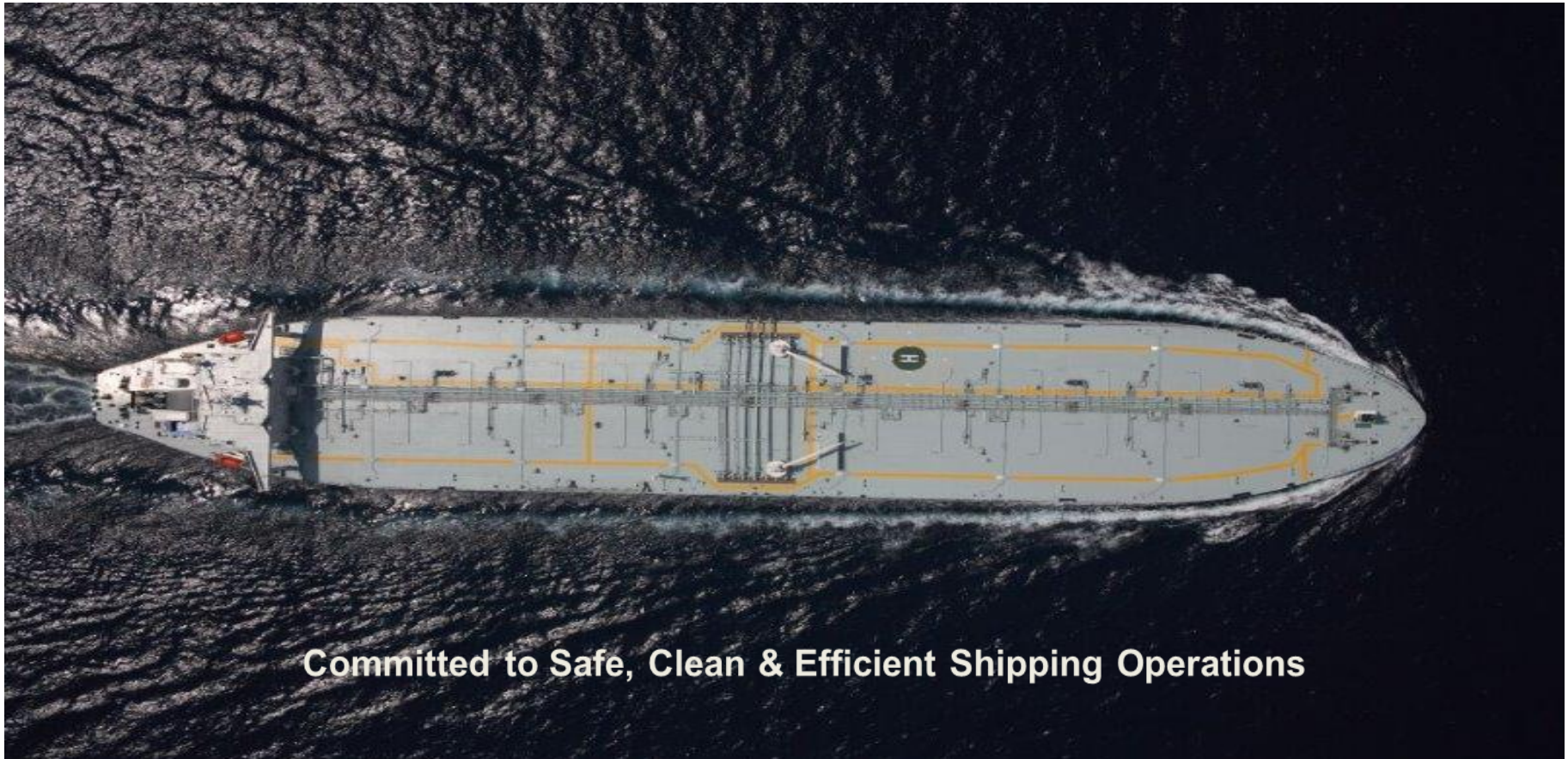


# Ship Operator views of Vetting and SIRE

## OCIMF / Regional Marine Forum (RMF) - Rome

19 June 2018

Stefanos K Stylianos, SQ & Marine Manager/DPA



**Committed to Safe, Clean & Efficient Shipping Operations**

# Agenda

- 1 History of Vetting / Raising Standards
- 2 The Clearance Process
- 3 Inspections
- 4 Handling of Incidents
- 5 Conflicting / non-harmonized requirements
- 6 Commercial Challenges
- 7 Future Developments

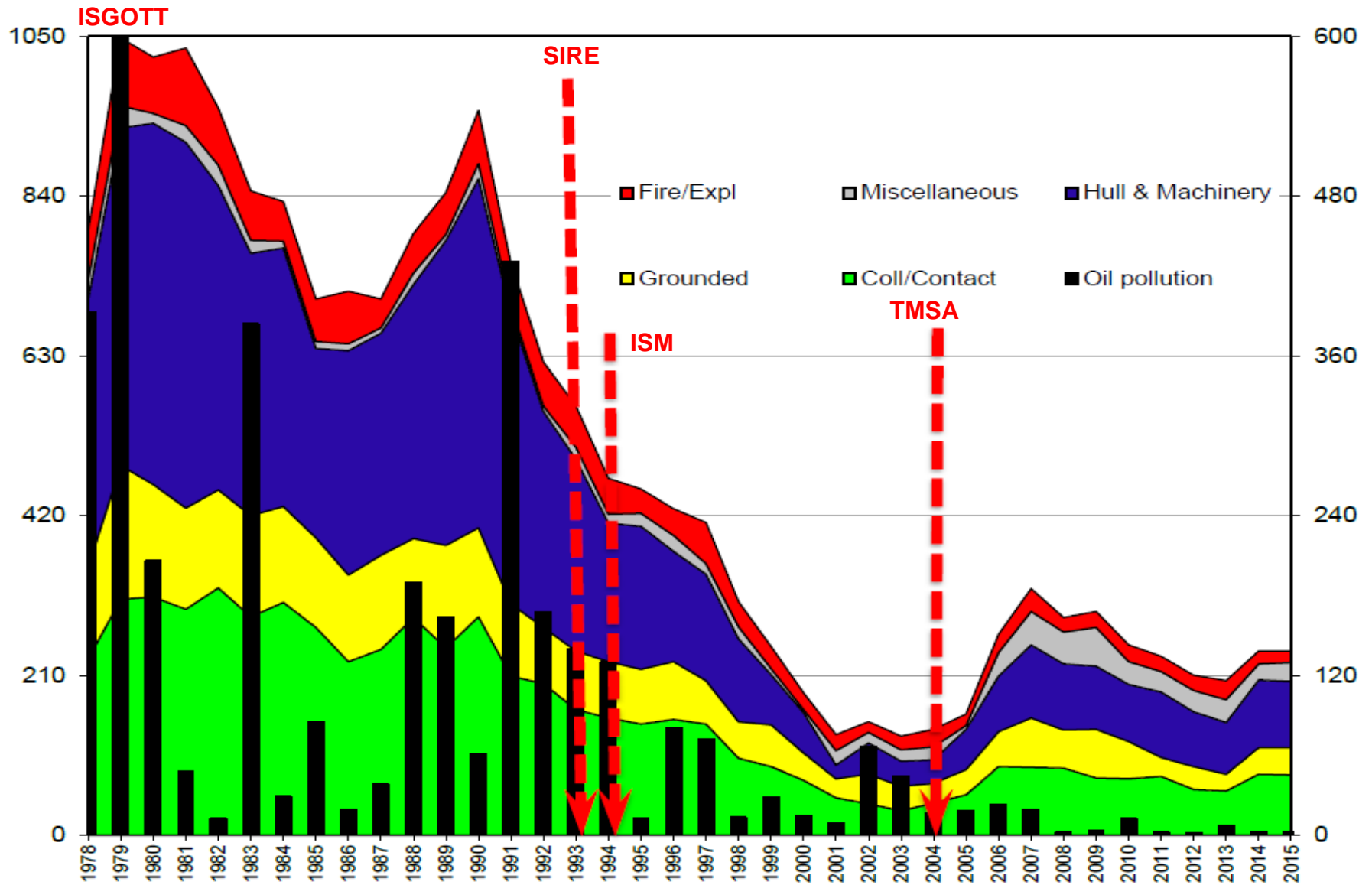


**-Vetting-**  
**“Our Ticket to Trade”**

**Common Goal Zero**  
**“Incident Free Industry”**

**“Safety is  
Good Business”**

# Incident History - Tankers



Source: INTERTANKO, based on incident from Lloyd's List Intelligence Casualty Reporting Service and pollution figures from ITOPF

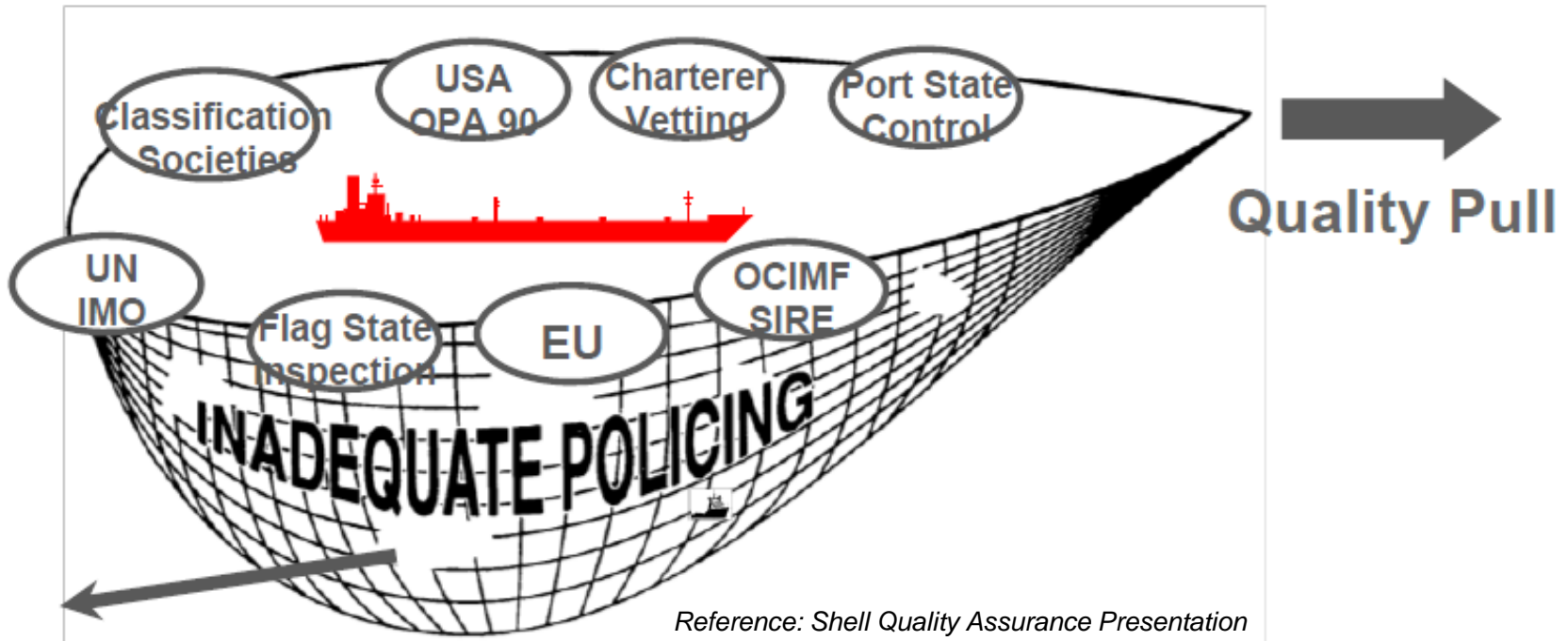
# Total Losses

All vessel types lost

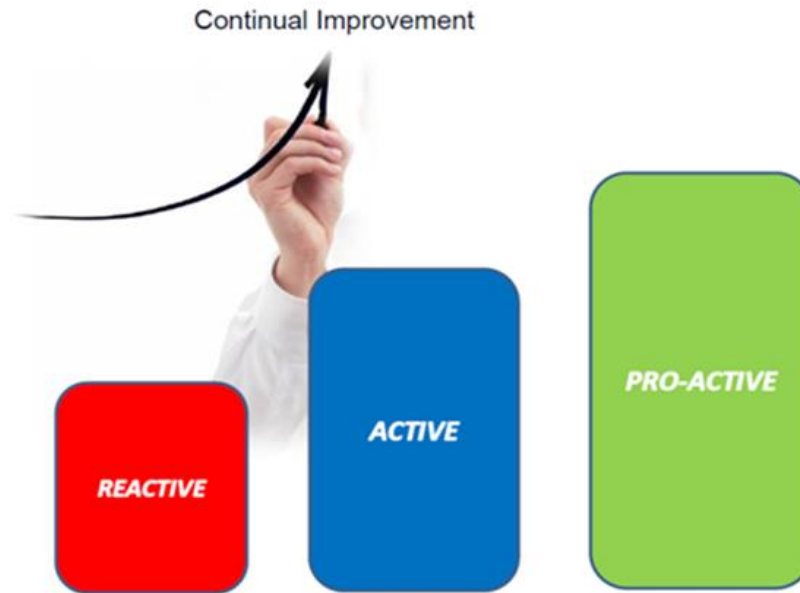
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
Cargo	70	59	52	61	38	61	41	31	38	30	<b>481</b>
Fishery	34	36	29	21	14	12	13	15	15	9	<b>198</b>
Bulk	12	8	10	11	14	9	15	4	11	4	<b>98</b>
Passenger	8	5	5	3	7	7	8	10	7	8	<b>68</b>
Tug	11	7	5	7	2	6	7	7	6	7	<b>65</b>
Chemical/Product	6	7	9	6	2	8	10	2	3	6	<b>59</b>
Ro-ro	5	8	6	1	3	5	2	5	6	8	<b>49</b>
Other	7	5	5	3	5	3	6	4	4	3	<b>45</b>
Container	3	2	4	5	3	6	4	4	5	3	<b>39</b>
Supply/Offshore	5	1	3	2	2	3	2	3	3	2	<b>26</b>
Barge	6	3		1			3	1		2	<b>16</b>
Dredger	2	5		2	2	2		1	1	1	<b>16</b>
Tanker	1	3	2	3	4	1		1			<b>15</b>
Unknown	1	1					1		2	1	<b>6</b>
LPG		1		1	1	1				1	<b>5</b>
<b>Total</b>	<b>171</b>	<b>151</b>	<b>130</b>	<b>127</b>	<b>97</b>	<b>124</b>	<b>112</b>	<b>88</b>	<b>101</b>	<b>85</b>	<b>1,186</b>

Source: Lloyd's List Intelligence Casualty Statistics. Data Analysis & Graphic: Allianz Global Corporate & Specialty

# Regulations and Policing

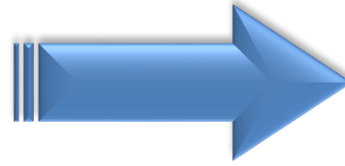


- Ship Owner is responsible for the safe technical management
- Class Societies set standards of construction and assess condition
- Flag state regulate standards and safety management
- Port State police enforcement of standards
- The Vetting process and SIRE fill the gaps
- Recommendations / Industry standards / Best Practices



*Vetting is a tool towards Continual improvement,  
not a blocker.*

"Vessel on Subs!"



Quality Assurance



PHILLIPS 66

ExxonMobil

Chevron

TOTAL

bp

SHELL

LUKOIL OIL COMPANY

IDEMITSU

PETRONAS

STATOIL

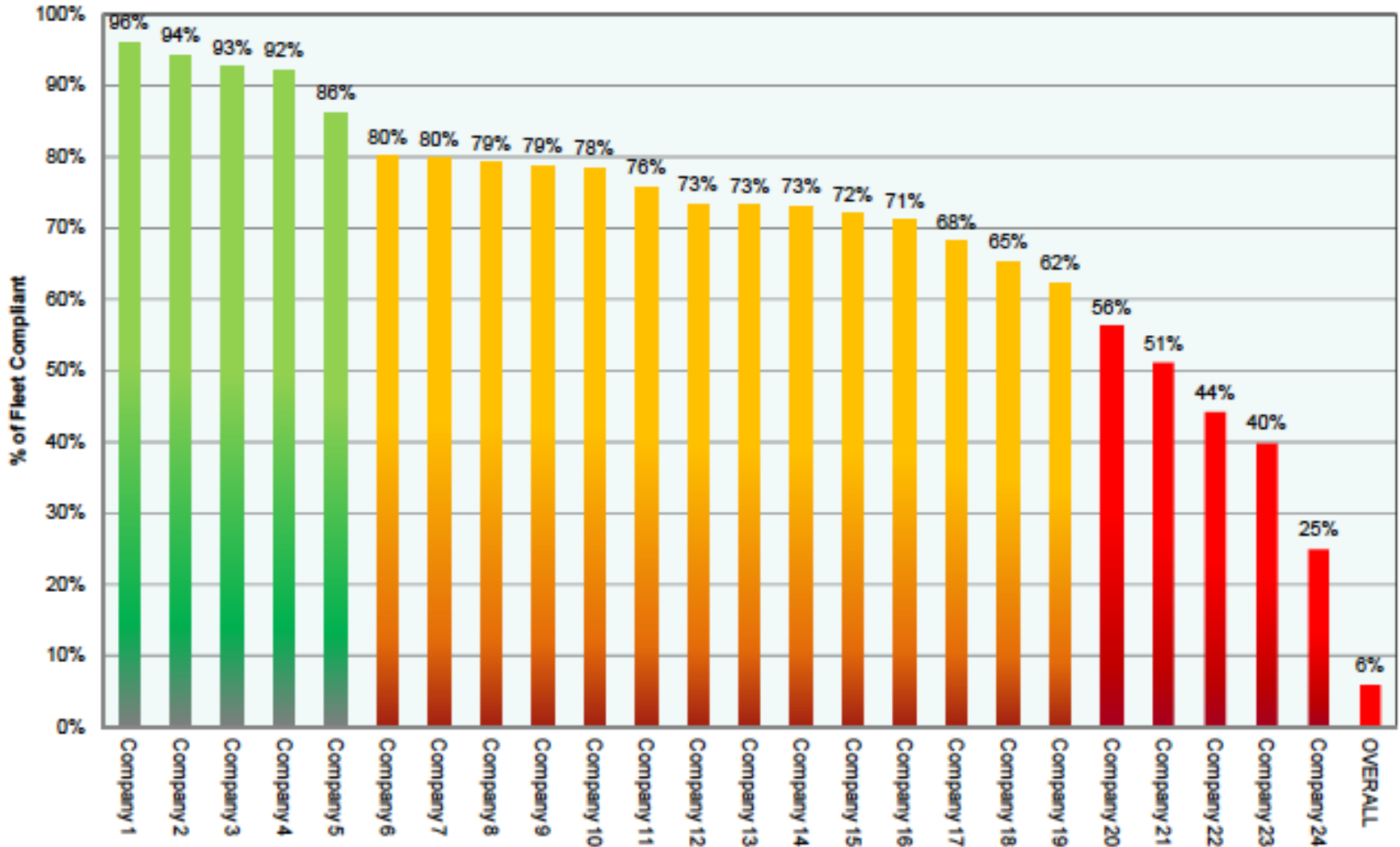
VALERO

TESORO

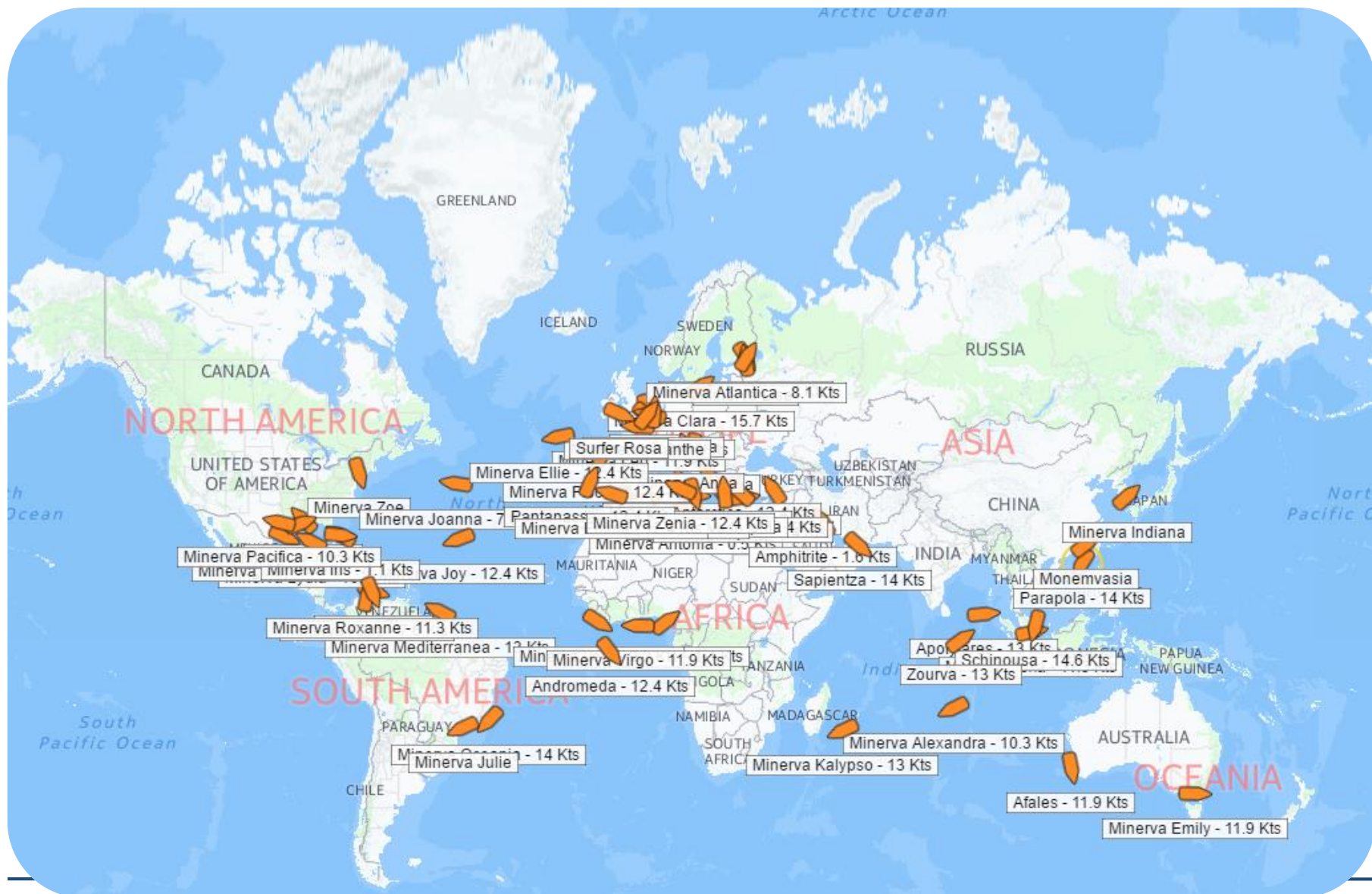


- Faceless process, sometimes automated.
- No opportunity to resolve perceived issues.
- STS clearance of 3rd party vessels.
- Security screening.
- Local screening requirements which are not published.
- Crew Matrix – too many variations of requirements, non harmonised.

# Officer Matrix Compliance Analysis



# We operate around the world



- Inconsistency of Inspectors (audited once every 2 years)
- Promotion of personal interpretations
- Conduct on board
- Time lag of familiarity with new legislation and new technology
- Apparent KPI for number of observations
- Cost of inspections
- Vague observations or observations not representing true risk



- Increasingly demanding.
- Require their own safety inspections.
- Lack of feedback to Operators, pending items causing ship rejection, no contact.
- Increased number of Terminals are not allowing Vetting Inspections (Singapore, Korea, Canada, Portugal, Thailand...)

# Non-Harmonised Requirements

- Complex customer demands
- Evidence needed for everything we do
- Low tolerance for error
- Inconsistency amongst the companies in their requirements during office reviews
- TMSA reviewers trying to enforce their way of doing things
- Too many questionnaires (HVPQ)



# Conflicting Requirements

- Required timeframe to book an inspection but inspectors cancelling at the last minute leaving the ship without a valid SIRE
- Some Oil Majors require their own Inspections over a defined period thus not following the OCIMF SIRE
- Some Oil Majors require their own terminal safety inspection based on SIRE but in addition to SIRE
- Secret report to the submitting member in addition to the published SIRE report
- Availability of Inspectors in some regions

# Handling of Incidents

- ALARP - but Incident do Happen
- Demand for transparency but..
- Immediate Technical Hold
- Delay in reviewing Incidents (up to 6mths) no consideration for lost business
- OCIMF Incident repository expedites reporting
- Oil Majors not always sharing lessons learnt from their Incidents.



# Commercial Challenges



- Vetting is the scape goat
- Quality is not always rewarded
- No reward for transparency, quite the opposite.
- No flexibility on 6mth validity of SIRE
- No Trust (?)

- To state that there is a typical vetting clause would be an oxymoron.
- The great majority of charter party vetting clauses developed over the years have been so by the oil majors and with their explicit interests in mind.
- These are oftentimes unreasonable and arbitrary Vetting Clauses which also are contrary to industry practice reference in Time Charter Party is made to



*“APPROVALS”*

whereas Oil Major Vetting departments clearly state the following:

*“Please be aware that we do not pre-approve vessels for use”*

Spot Charter Party however have no obligation for “Approvals” but require statements from the operators such as :

*“To the best of owners knowledge”*

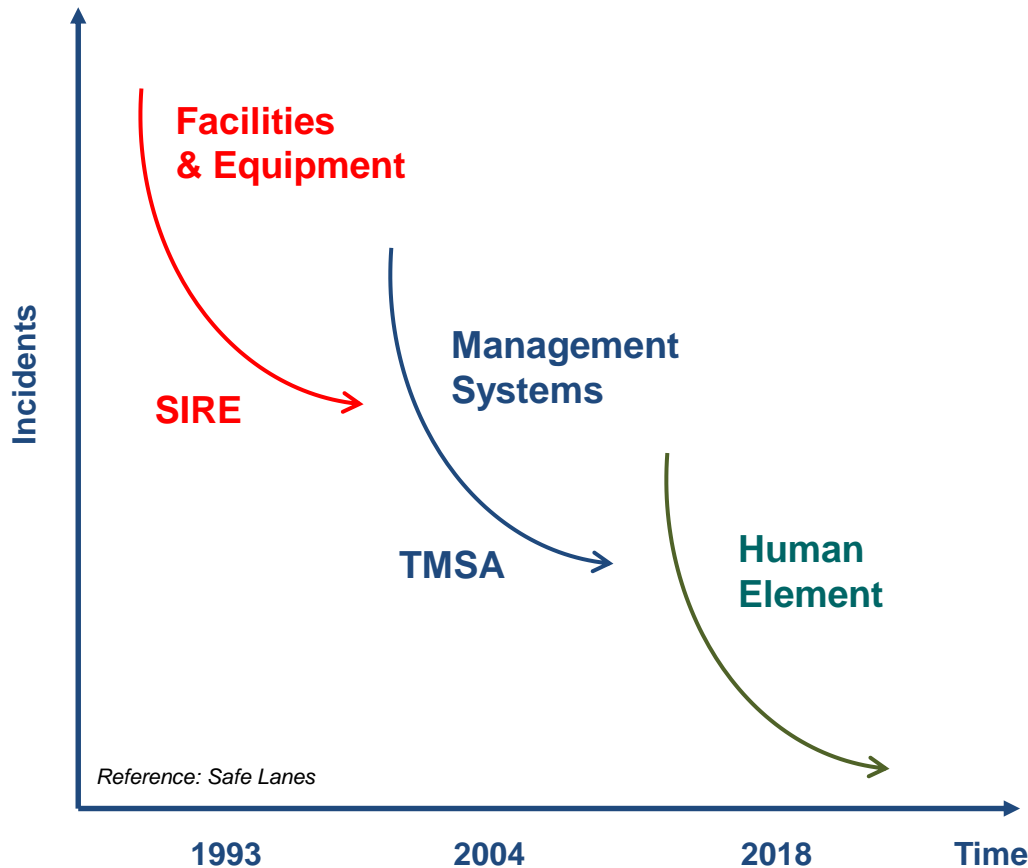
*&*

*“Not Not Approved”*

# Positive Developments



- 30 day rule
- Failed Audited inspections do not void the inspection
- Vessels can trade normally with 2-3 inspections per year
- OCIMF / INTERTANKO interaction
- Oil Major Forums

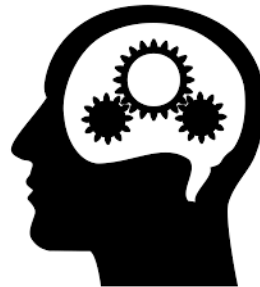


- VIQ 1-5 Emphasis of Facilities and Equipment
- VIQ 6 More audit based (Human Element)
- NEW VIQ 7 Catching up with TMSA, new requirements and technology
- TMSA 3 – Process Safety

# The Strongest & Weakest Link



## The Human Element



# *What Does The Future Hold?*

## **Concerns**

**Low Frequency / High Impact**

*Revolutionary Change in SIRE?*

## INTERTANKO Vetting Committee

- Joint working groups with OCIMF
- SIRE Focus Group meeting
- Vetting Seminars
- Guidance to members
- Terminal Vetting Database
- Vetting Inspector Feedback Forms
- Benchmarking Database
- Publications



**INTERTANKO**

THANK YOU FOR YOUR ATTENTION



Committed to Safe, Clean & Efficient Shipping Operations