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RECYCLING OF SHIPS

Proposals for Ship Recycling Plan, Ready for Recycling and Final Surveys

Submitted by the International Chamber of Shipping (ICS), International Parcel Tankers Association (IPTA), International Association of Dry Cargo Shipowners (Intercargo), International Association of Independent Tanker Owners (INTERTANKO), and Oil Companies International Marine Forum (OCIMF)

SUMMARY

<i>Executive summary:</i>	This document provides amended text to strengthen the draft Convention based on the report of the 3rd ISRWG and deliberations taken with respect to MEPC-ISRWG 3/2/7 which proposed revision of regulations 9, 10 and 11 and other sections of the draft Convention associated with Ready for Recycling and the Ship Recycling Plan
<i>Strategic direction:</i>	7.1
<i>High-level action:</i>	7.1.2
<i>Planned output:</i>	7.1.2.1
<i>Action to be taken:</i>	Paragraph 11
<i>Related documents:</i>	MEPC 57/3 and MEPC-ISRWG 3/2/7

Introduction

1 This document provides comments on the report of the third intersessional meeting of the Working Group on Ship Recycling (MEPC 57/3) and is submitted in accordance with paragraph 4.10.5 of the Guidelines on the organization and method of work of the Maritime Safety Committee and the Marine Environment Protection Committee and their subsidiary bodies (MSC-MEPC.1/Circ.1).

2 The co-sponsors of this document, noting the considerable support in principle that MEPC-ISRWG 3/2/7 (France and Denmark) received at the recent meeting of the Intersessional Ship Recycling Working Group (ISRWG), propose further amendments which strengthen those proposals. It is felt that the proposals tabled in MEPC-ISRWG 3/2/7 concerning the Ready for Recycling and Ship Recycling Plan provisions simplify and safeguard the authorization process

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for sales of end of life ships under the Convention. They also eliminate those liabilities which industry has highlighted in the current draft Convention, without compromising State oversight or controls on ships being sold for recycling. All amendments refer to the consolidated text contained in annex 2 of MEPC 57/3.

3 Taking into account the debate on the document MEPC-ISRWG 3/2/7, however, it is felt that further amendments may be required in order to increase the feasibility of the proposals in a commercial context and so that these are acceptable to States and stakeholders alike.

Ship Recycling Plan

4 A key concern expressed in relation to the proposed approval of the Ship Recycling Plan prior to the final survey was that the Plan itself will require the Inventory of Hazardous Materials as a base document for its development. This presents a potential obstacle as an Inventory cannot be fully complete and approved in each of its three parts until the final survey, at which time it will be verified that the ship carries a completed Inventory including all three parts as a condition for issuing the Ready for Recycling Certificate. This appears to be a contradiction in the process.

5 However, this obstacle seems surmountable with a holistic consideration of the Convention's provisions. It will be recalled that under the Convention, facilities engaged in purchasing ships for recycling will be approved as operating to a yard-specific Recycling Facility Management Plan by their competent authority. The objective, therefore, of Ship Recycling Plan approval should simply be to establish that a yard is working within its authorised parameters. Taking this into account, it is clear that only Part I of the Inventory is required in order to establish that the yard can handle the hazardous materials contained onboard in accordance with its authorization. Where a yard is not capable of meeting this requirement, then prior-removal of the materials will be required, and this will be verified in the final survey.

6 In order to make this understanding explicit within the text of the Convention, the following text is proposed for inclusion under regulation 9:

9.3 The Ship Recycling Plan shall:

- .1 document that the facility is authorized to handle the appendix 1 materials recorded in the Inventory of Hazardous Materials;*
- .2 document, where an appendix 1 material is shown on the Inventory but not within the capability of the yard, that pre-cleaning will be required and the Plan must, in this instance, show details concerning prior removal of hazardous material, according to regulation 8.2;*
- .3 include information on how the recycling of the ship will proceed in accordance with the requirements of this Convention;*
- .4 be developed in consultation with the shipowner;*
- .5 be available for inspection by the Administration or by organizations recognized by the Administration; and*
- .6 include information on how gas free for hot work conditions will be ensured.*

7 It is also felt that further clarity is required with respect to the point at which the Recycling Plan approval should occur within the overall approval process and it is therefore proposed that a new regulation 9.4 should be included to clearly indicate that approval should take place as early in the process as possible:

9.4 The Ship Recycling Plan shall be approved by the competent authority authorizing the Ship Recycling Facility before the final survey.

Final Survey

8 Concerns were expressed during the debate on document MEPC-ISRWG 3/2/7 that the present draft of the final survey provisions would require the flag Administration to verify the compliance of a Ship Recycling Plan with the terms of the Convention. Such a requirement is not only beyond the competence of flag Administrations who will not be expert in the approval and licensing of recycling States, but also seems to intrude upon the recycling State area of control. It appears that the current text of regulation 11.3 therefore requires amendment to fit with both the intent of the Convention and also the capabilities of Parties, so as to specify that the flag Administration must ensure that a Ship Recycling Plan has been developed for the ship in question and that, where required, it has been approved by the competent authority of the recycling State. It is therefore proposed that the following section of regulation 11.3:

“that the Ship Recycling Plan developed by the authorized ship recycling facility is finalized and complies with the requirements of this Convention;”

be replaced with the following:

“that the Ship Recycling Plan developed by the Ship Recycling Facility is present and, where required, has been approved by the recycling State in accordance with the requirements of this Convention;”.

Tacit approval and “opt-in” clauses

9 Finally, some States expressed the opinion that the authorised facility provisions of the Convention should be sufficient to ensure the compliance of facilities and that approval of each Ship Recycling Plan was therefore unnecessary. Similarly, concerns were expressed that a requirement for all Plans to be approved would be unnecessarily burdensome for competent authorities in recycling States. Whilst these concerns are acknowledged, the benefits of checking and approving Ship Recycling Plans by the competent authority are also recognized.

10 Two solutions were proposed at the 3rd ISRWG for resolving these issues. Firstly, the tacit approval clause was developed, whereby a Plan that had received no objections fourteen days after its deposition with the competent authority would be deemed to have been approved, therefore allowing States to check plans on their own terms, and thus reducing the administrative burden without also limiting the effectiveness of the provisions or increasing liability for stakeholders. Secondly, the “opt-in” clause would allow States, on becoming Party to the Convention, to declare their intention to implement checks of Ship Recycling Plans developed by facilities under their jurisdiction. It is felt that these clauses establish a much needed degree of flexibility within the approval process without compromising the robustness of the system as a whole, nor jeopardizing the interests of States and stakeholders alike, and a State’s acceptance of them could be made apparent in the relevant certification documents.

Action requested of the Committee

11 The Committee is invited to consider the above and take action as appropriate.