

TANKER OPERATOR

Making Money in a Tough Market

Getting back to basics

- Mark Bull – Marine Consultant

Getting back to basics

Income – Expenditure = Profit (if this is negative
then it is a loss)

I am not involved, nor have been, in the commercial operation of ships and will therefore focus on the expenditure part of this equation.

There are direct and indirect costs which involve us. In today's market more than at any other time, we cannot afford to have costs attributable to failures.

Getting back to basics

- Sadly the evidence would suggest the opposite and is supported by information from the insurance companies that the cost of claims continues its upward trend.
- I believe to prevent these losses or unwanted expenditure is not radical but can be reduced to three simple areas

Getting back to basics

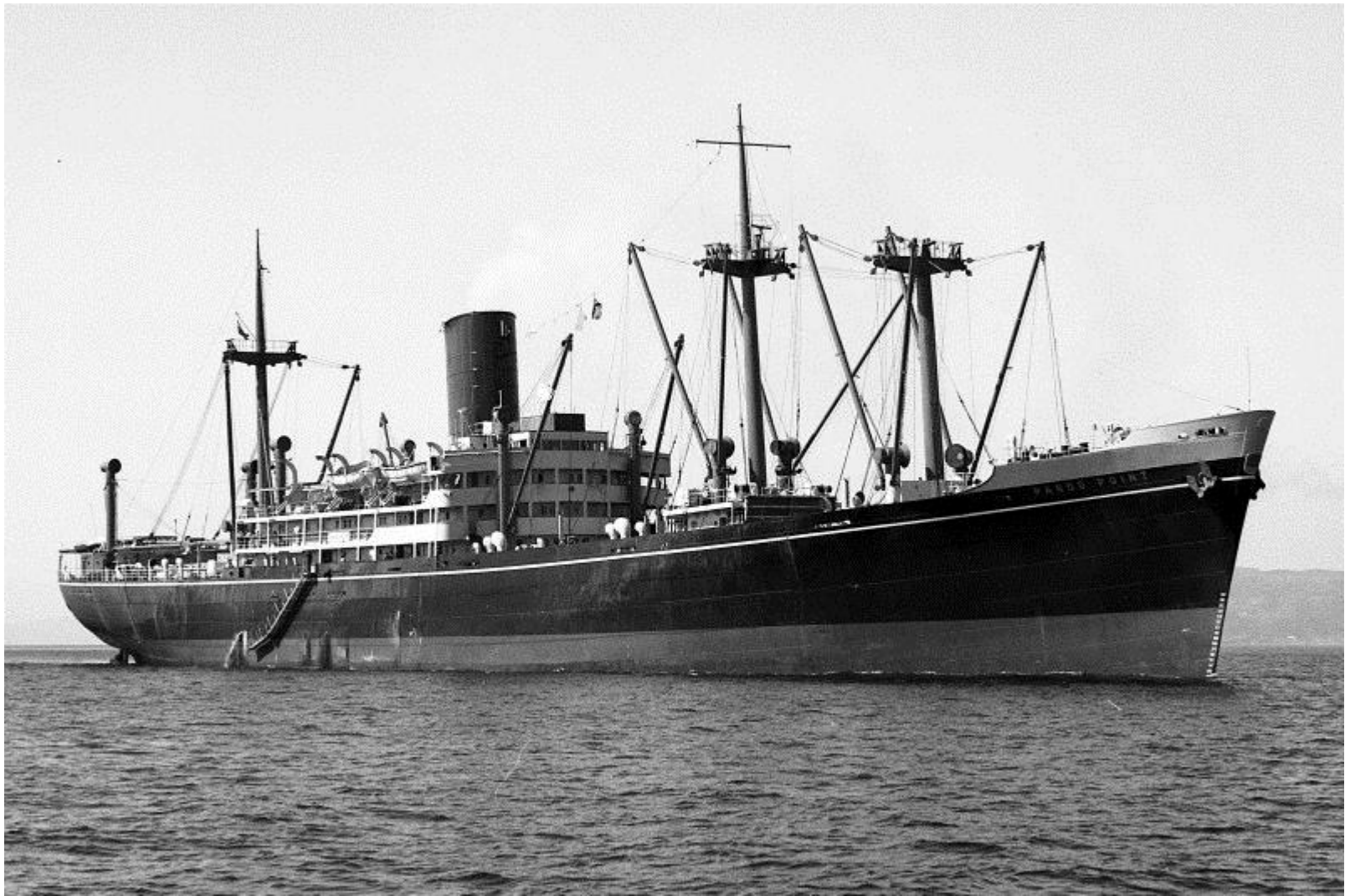
Synthesis

Objectives

Simplicity

Getting back to basics

- My brief talk today is going to be free from statistics, liberally peppered with anecdote and hopefully rounds up with some enlightening real life examples of how, without care, your reputation can be permanently damaged and any cost savings you have made wiped out.



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Getting back to basics

- Synthesis



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Getting Back to basics

OBJECTIVES

- Just what are the overall objectives of your company?
- I recall the objectives of the companies I worked for during the three main phases of my career
- 1.) P and O. To provide every passenger with a memorable and enjoyable experience.

Getting back to basics



Cruise Ship breaks moorings.mp4

- With United Arab Shipping Company our objective was to deliver the cargo safely, always at the expense of schedule (due to the time to ship in replacements if damaged or lost)



Losing Cargo in rough sea.mp4

- With Chiquita Brands , the objective was very simple (either next slide or actual fruit)



Getting Back to Basics

- There are other objectives we need to be aware of; and these are external (they cost us money – is it well spent?)
- The ISPS Code – 1.2.1 “—take preventative measures against security incidents”
- 1.2.5 “—to ensure confidence that adequate and proportionate maritime security measures are in place.
- Dismal failure because the Code itself has NOT helped to improve security onboard ships. Quote examples) The debacle in the Indian Ocean or West Africa is prima facia evidence of this.
- Industry initiatives in the use of armed guards has solved this in the Indian Ocean (billion dollar)(détente)

Getting Back to Basics

- Tankers are over inspected – I have heard of a new tanker undergoing 14 external inspections in the first 11 weeks of operation that is sadly wrong. Every inspection costs money – directly or indirectly.
- It is my opinion that Port State Control – in its current form – is beyond it's sell by date – at least for tankers operating under the OCIMF SIRE or CDI m schemes and there should be a harmonisation of others.

Getting back to basics

After a spate of collisions a few years back, I had to develop a hard hitting way to get the message of what the COLREGS were all about.

Coupled with playbacks from VDRS of actual collisions I would ask my audience of ships' officers how many COLREGS there were.

Various responses were received.

My response was that I had developed my own set of Colregs which were to be applied. There were only 2

Getting back to basics

- Rule Number 1 –
 - Don't hit anything
 - Rule Number 2 –
 - Don't let anything hit you
- I think the initiative worked.

Getting back to basics



Bulk Carrier and Cargo Ship Collide in the Straits of Singapore.mp4

Getting back to basics

- SIMPLICITY

If you keep anything simple, it is more likely to work trouble free and that is equally applicable to systems as it is to equipment.

KISS or KIS KIS are good slogans for this.

On the equipment side we have the terrible on-going situation of accidents with lifeboats. Although some can be attributed to “maintenance normally associated with good seamanship” most are not

Getting back to basics

- Without fail, all ships that I have visited in the last 6 years have one thing in common – all officers and crew are fearful of lifeboats. What a terrible situation that equipment intended to save life is in fact killing or maiming seafarers.
- In my view any ship with all aft accommodation should be fitted with a FFL and a simple release mechanism. (Heath Robinson)
- Side launched boats are a different story.

Getting back to basics

- The key problem, in my view is the on-load release systems. You see the engineers have designed something that cannot withstand the rigours of the marine environment. You can never dedicate continuous maintenance time to just this one piece of equipment.
- Ask anyone on a container ship if he knows of any system that opens more than one hook simultaneously and he will answer immediately – yes - a container spreader which has 4. This however needs a minimum of time between the proximity switch operating and the locks opening – we do not have that luxury in a lifeboat lowered into anything but a flat calm sea.

Getting back to basics

- Here is the seaman's solution





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Getting back to basics

- Of course letting go 2 at the same time is not easy.
- So why have a boat?
- Why not a “survival” craft that is round; then it could be suspended on a single wire.
- We have davit launched life rafts like this; why not a rigid survival craft?
- Only 1 quick release hook would be needed – something like this?



Getting back to basics

- Finally, we have the onslaught of regulation. At times it can be overwhelming. The problem is when that regulation is poorly prepared and not fully thought out. {should be}
- We are suffering the mission creep of compliance
- Emergency Towing procedures are just one example of this. MLC 2006 is a classic.
- Or how about rest hours. No form will ever prevent fatigue. The story of fatigue is as old as the bible itself.

Getting back to basics

- I firmly believe that in times of crisis, the politicians are ready more than ever to pacify both the public and industry and so this would be an ideal time to repeal legislation that is no longer valid or applicable. We have more than enough.
- Time necessitates change, and change in itself is refreshing