

Lloyd's List, 69-77 Paul Street, London, EC2A 4LQ

# Getting off lightly

THIS is going to hurt just a little bit, as they say at all the best dentists. But from what we know so far, it isn't going to hurt half as much as it could have done.

The industry had been awaiting UK shipping minister Mike Penning's decisions on a number of crucial state support packages with some trepidation. When the announcement finally came on Tuesday, relief was palpable.

Nobody could reasonably have expected that British shipping would be immune from the most

wide-ranging retrenchment in public spending since 1922. But compared with the severity of the treatment dished out elsewhere in the economy, we are getting off lightly.

Abolition of the Crew Relief Costs Scheme will leave owners £1.4m (\$2.2m) out of pocket, and the end of Department for Transport contributions to the Confidential Hazardous Incident Reporting Programme is sad news. There have been grumbles from some of those most exercised by the question that light dues have only been frozen for three years, rather than reduced. In the current climate, this attitude is probably ungracious.

But the main thing is that the bulk of the money that is spent on the Support for Maritime Training system has been ringfenced. True, the industry is being asked to foot the bill for SmarT2 training beyond the first instalment, which will cost it something like £3m. Nevertheless, £12m has been allocated to SmarT for the coming financial year. Set against what is happening in higher education, with students expected to pay for their tuition in full, we should say a collective thank you to Mr Penning.

Attention will now turn to his plans for the

Maritime and Coastguard Agency. The government has attracted considerable fire for its decisions to scrap Emergency Towing Vessel cover and to review the future of Britain's capacity to fight fires at sea.

We still need to know what the plans are for search and rescue helicopter provision and Maritime Rescue Co-ordination Centres.

Everyone can learn to live with modest austerity applied to various subventions. But that logic does not extend to safety-critical services.

## Tricky business

AS YOU read this today, there is a high probability that the seemingly endless Sovcomflot legal saga will have finally come to an end.

When he took over the case, Mr Justice Andrew Smith was determined to have it wrapped up within six months. That it has taken him more than double that period is still a remarkable achievement, given the claim and counterclaim complexity of the multiple cases that have been bundled together.

The case of Vitaly Arkhangelsky, owner of fellow Russian shipping group OMG, offers a useful comparison of the fortunes of Russian shipping interests — one private, one state-owned.

The allegations made by Dr Arkhangelsky against the Bank Saint Petersburg and Maritime Bank involve fraud, forgery and theft. A French court has already accepted evidence that Bank Saint Petersburg had forged his signature on documents that made him personally responsible for his company's debts, which subsequently allowed the Russian state to embark on what in most respects seems to be a highly personal vendetta against him.

It is unlikely that Dr Arkhangelsky is an angel himself, but this comes at a time when there is mounting evidence that Russia, despite the advances in economic strength over the past decade, has gone back to its primitive post-Soviet beginnings in terms of corporate governance — US diplomats in Moscow talk of a mafia state, a virtual "kleptocracy".

This is in direct contrast to Sovcomflot's efforts to root out corruption within its organisation in advance of its long-touted partial IPO. The case of Dr Arkhangelsky will serve as a warning to investors. ■

### Industry Viewpoint



CLEOPATRA DOUMBIA-HENRY

# Convention on seafarers' ID is effective and fair

**Criticism that the International Labour Organisation's identity documents regime is flawed shows a lack of understanding**

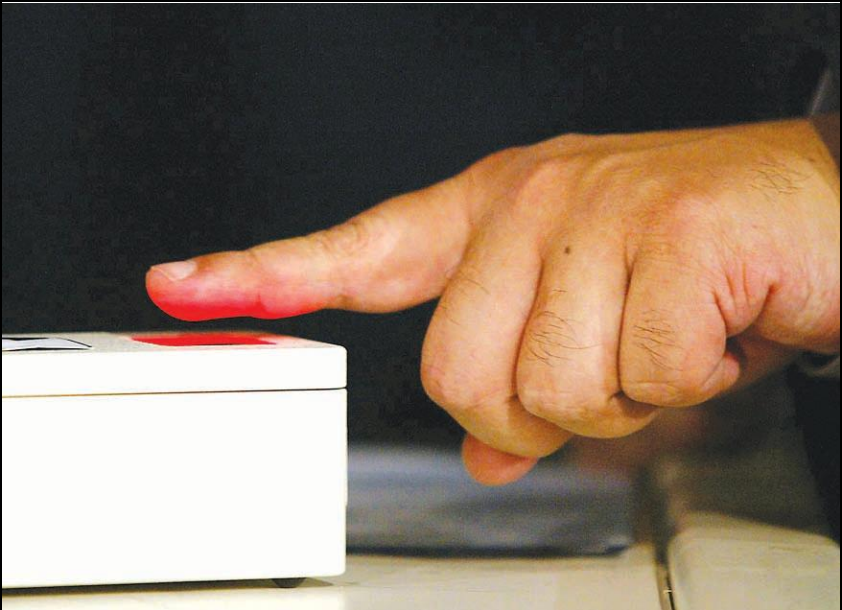
THE Lloyd's List article 'Serious flaws undermine ILO convention on seafarer IDs' (Wednesday November 10, 2010) referring to the International Labour Organisation's Seafarers' Identity Documents Convention (Revised), 2003 (No. 185) contains a number of allegations of "serious flaws".

In fact, there are no serious flaws if one understands and accepts the premises and choices underlying the convention. The author may not accept those premises and choices, but it should be recalled that the convention was adopted without any dissenting votes, with 392 of the government, shipowner and seafarer representatives voting in favour of its adoption by the International Labour Conference in 2003 (with 20 abstentions).

A number of provisions dismissed by the author were, in fact, adopted by government, shipowner and worker representatives following extensive discussions. For example, the author states that: "One of the most important changes introduced by the 2003 Convention was the stipulation that only a seafarer's own country can issue a seafarer ID, thus removing willing flag states from the process." The reason for this change, which is to improve the security and integrity of the document issuance process, is not mentioned in the article. In fact, the state where an individual holds nationality or permanent residence is the state most likely to have the greatest success in properly validating their identity and credentials.

The author's main criticism of the convention refers to the choice of a biometric based on a fingerprint printed as numbers in a bar code, instead of storing fingerprint images in a card. However, the author omits the point that an effective and globally interoperable standard was later developed and perfected, that biometric products from different suppliers were successfully tested against it, and that the test results were reviewed by an experts' group provided by the Joint Technical Committee (JTC-1) of the International Organisation for Standardisation and the International Electrotechnical Commission.

Though the author refers to a recent "consultation meeting on the convention in Geneva", he fails to mention that one of the main purposes of this consultation was to consider the standard ISO/IEC 24713-3



Biometric scanning of a fingerprint: the best and latest technology may be worse than useless if the identity document is issued to persons not entitled to it.

Biometric profile for interoperability and data interchange — Part 3: Biometrics-based verification and identification of seafarers, published in August 2009 after almost five years of development.

Although it contains options for a number of technical improvements, as compared with the present ILO standard, this important biometric profile did not identify any "serious flaws" in that standard. As an expert in the field of biometric identity for seafarers, the author should have taken account of the work of probably the most well-known international organisation in this field.

Perhaps the most revealing part of the article is its assumption from the start that the convention "is an attempt to improve the quality and security of seafarers' identity documents". This is just one aspect of the convention. The article shows a lack of understanding of an important and evident premise in the convention (underlying the unique international provisions in its Article 5 and Annex III) that even an ID embodying the best and newest technology is useless — indeed worse than useless — if the identity document is issued to persons not entitled to it.

This is the reason for the focus of the convention on minimum requirements for the national processes and procedures concerning the issuance of seafarers' identity documents. It is also the reason why only the state of nationality or permanent residence was entrusted with the issuance of SIDs under the convention (although the co-operation of flag state authorities and shipowners may often be essential to check that applicants are genuine seafarers).

The article alleges (on unspecified grounds) that many labour supplying countries are unwilling to accept the responsibilities under the convention. This tends to conflict with the fact that several major labour supplying countries have made, or are preparing to make, the substantial funding necessary to implement the convention, with some technical and financial assistance (including support from the most important port state).

The need for a proper issuance infrastructure, involving investment which would be particularly high per capita in the case of countries with few seafarers, is justly alluded to in the article (albeit along with a number of additional misstatements).

It also rightly points out that the number of ratifying countries (18 plus one country making a declaration of provisional application) so far includes only a few major port states. It is understandable that countries would not wish to make the

necessary investment without an assurance that it would indeed improve the situation for seafarers. Some countries including major port states have expressed interest in ratifying the convention if others ratify it first. In other words, there is a tendency, due to the significant investment required to implement a secure identity document system, for each state to delay its implementation until it sees that enough other states have already implemented.

The second main purpose of the recent consultations, attended by representatives of a large number of governments (51 — another fact that the author has chosen to ignore) was therefore to find ways of reducing the costs for countries, through international co-operation and the sharing of facilities and procedures. Proposals will be made in the near future to achieve implementation at the lowest possible cost for the countries concerned having regard to the need for effective security.

In considering the merits of the convention, in the light of those proposals, it is hoped that future articles will, as a starting point, place the convention in its context. The author of the article concerned refers to the convention's "laudable objective", but gives no sign of having really understood the extent of the hardship caused to many seafarers by unilateral security measures; of the disruption caused to international commercial shipping; of the investment and sacrifices that are being made by shipowners, seafarers and labour supplying countries placing their trust in the international community to implement the convention that it adopted by an overwhelming majority in the International Labour Conference.

The Seafarers' Identity Documents Convention (Revised), 2003 (No. 185) is the only international instrument that has been designed to provide a fair and effective international solution to meet those difficulties. If any serious flaws or problems in implementation are perceived, then the first step should be to carry out an objective and thorough analysis to test those perceptions, rather than to offer ill thought-out solutions to replace the result of careful and detailed consideration by the international tripartite community and by experts of international repute. ■

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[www.lloydslist.com/shipops](http://www.lloydslist.com/shipops)

# End to funding at Freight by Water a missed opportunity

*From Mike Elsom*

SIR, As the first managing director of Sea and Water (now Freight by Water) I am saddened to see the organisation lose its UK government funding and its status as an independent body (Lloyd's List, December 8).

During my time (2003-2005), Sea and Water became the promotional voice of the UK's water-freight industry, an adviser to

### Letter to the Editor

government and a player within European circles. But we always recognised that there was much more to be done if the UK were to realise the benefits of encouraging freight off the road and onto the water.

Road congestion and the environmental impact of trucking will

only worsen and the decision to withdraw funding is short-sighted. It will undo much of the momentum and groundwork already achieved. There have been some great water-freight success stories over the last few years and a number of our European neighbours are achieving

significant results through their state-funded water-freight promotional bodies.

Put in context, Freight by Water requires only a tiny amount of government money to give it the potential to deliver huge social and environmental benefits. That must be a good investment for the UK, even in these austere times.

*Mike Elsom*  
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