European Commission
Directorate-General for Competition
Antitrust Registry
1049 Bruxelles/Brussel
Belgique/België

03 July 2009

Dear Sirs

CASE 39.416 SHIP CLASSIFICATION

1. These comments are provided by the International Chamber of Shipping in response to the invitation in paras (20) to (22) of the Notice published by the Commission on 10 June 2009.

These comments are non-confidential.

2. The International Chamber of Shipping (ICS) is an international association representing the interests of shipowners. A detailed description of the association and its main activities are given in Annex 1.

3. Classification Societies perform important functions on behalf of shipowners as well as other stakeholders in the shipping industry.

These include:

- Development of classification rules to assess the structure of a ship together with its propulsion and other essential systems
- Regular inspection of ships under construction and the granting of a ‘class’ certificate to demonstrate that a ship has been constructed in accordance with its rules
- Periodic Surveys of ships while in service to ensure that they remain compliant with the rules.

4. In the context of these functions, ICS places great value on the work done by IACS and its members, and their contribution to setting and improving safety standards for international shipping.

ICS and its members are committed to maintenance and continuous improvement of high standards for the construction and operation of ships.
In this respect, IACS performs a vital role in establishing high standards for classification work by setting minimum requirements for membership of IACS by a classification society, and ensuring that these required criteria are maintained. Membership of IACS is therefore a ‘quality mark’ which enables shipowners and others to have confidence in the work carried out by a member of IACS.

IACS also performs a valuable role through its consultative status at IMO where it assists with technical support for the development of technical rules and standards.

In particular, ICS has been strongly supportive of the work carried out by IACS and its members in the development of Common Structural Rules for oil tankers and bulk carriers as providing the potential for improved standards of safety and environmental protection. There is a clear advantage in having one set of rules to apply at least a minimum standard universally to a particular vessel type.

In this vein, the advent of the CSR promoted by IACS will produce better construction standards with a view of achieving robust and fit for purpose ships under universal newbuilding standards.

5. The observations of ICS on the commitments offered by IACS are therefore made against the background of the importance to shipowners and the industry generally of the work undertaken by IACS.

6. ICS supports the proposed amendments to IACS membership criteria such that non-discriminatory qualitative criteria only are used to assess applications for membership of IACS and for continuation in membership.

The maintenance of minimum quality standards for membership of IACS as least as high as those presently applied to IACS members is vital for the maintenance of standards in the construction and safe operation of vessels.

These amendments potentially enable IACS membership to be extended to classifications societies which are not currently members thereby extending opportunities for competition between class societies on quality of service while upholding at least the present minimum standards.

7. The continued contribution by its members to the work of IACS is a vital component in the effectiveness of IACS as an organisation. ICS welcomes the importance placed on this aspect of IACS membership in the commitments, and the intention that prospective new members will be assessed on their input to the work of IACS over a three year period.

8. ICS welcomes the commitment by IACS to make QSCS available to non-IACS classification societies. This will be an important contribution in enabling any non-IACS classification society which aspires to membership of IACS to assess its own performance against QSCS as a precursor to applying for IACS membership.
9. ICS notes and supports the commitments with respect to the participation by non-members of IACS in IACS’ technical work, and the access by non-members to IACS’ resolutions and technical background documents.

10. From the perspective of ICS, the package of commitments offered by IACS would ensure a continuation of the technical work that is so important to the future performance of the industry without in any way diminishing the effectiveness of the IACS contribution.

Yours faithfully,

Tony Mason
Secretary General
Annex 1

The International Chamber of Shipping (ICS) is the principal international trade association for the shipping industry, representing all sectors and trades.

ICS membership comprises national shipowners’ associations whose member shipping companies operate two thirds of the world’s merchant tonnage.

Established in 1921, ICS is concerned with all technical, legal and policy issues that may have an impact on international shipping.

The aim of ICS is to promote the interests of shipowners and operators in all matters of shipping policy and ship operations.

To that end ICS:

- Encourages high standards of operation and the provision of high quality and efficient shipping services.
- Strives for a regulatory environment which embraces safe shipping operations, protection of the environment, maintenance of open markets and fair competition as well as adherence to internationally adopted standards and procedures.
- Supports such regulation of shipping at an international level and oppose unilateral and regional action by governments.
- Presses for recognition of the commercial requirements of shipping and of the need for operators who meet the required standards to secure a proper commercial return.
- Remains committed to the promotion and updating of industry guidance on best operating practices.
- Cooperates with other organisations, both intergovernmental and non-governmental, in the pursuit of these objectives.
- Promotes the industry’s profile as a safe, clean, comprehensively regulated and responsible facilitator of global trade.
- Anticipates whenever possible and respond whenever appropriate to policies and actions which conflict with the above.

ICS is actively engaged with the following international bodies:

- International Maritime Organization (IMO)
- United Nations Division of Ocean Affairs and the Law of the Sea (DOALOS)
- United Nations Conference on International Trade Law (UNCITRAL)
- Organization for Economic Co-operation and Development (OECD)
- World Customs Organization (WCO)
- World Trade Organisation (WTO)
ICS also enjoys a close relationship with national maritime authorities throughout the world and with relevant departments and agencies of the European Union.

ICS has members located in the following countries:

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