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RECYCLING OF SHIPS

Comments and proposals for the development of threshold values and exemptions for materials to be included in the Inventory of Hazardous Materials

Submitted by ICS, BIMCO, INTERTANKO, INTERCARGO, IPTA

SUMMARY

Executive summary: This document argues that a pressing need exists for the development of threshold values and exemptions applicable to the materials to be listed in Inventories of Hazardous Materials. This is of specific relevance to sampling procedures, the Ship Recycling Plan and the Convention's implementation and control procedures, and the document proposes that an expert technical group be established to undertake this important work.

Strategic direction: 7.1

High-level action: 7.1.2

Planned output: 7.1.2.1

Action to be taken: Paragraph 16

Related documents: Resolution MEPC.179(59); MEPC 60/22, MEPC 61/3 and MEPC 61/3/7

Introduction

1 This document provides comments concerning the Inventory of Hazardous Materials as contained in document MEPC 61/3/7 and resolution MEPC.179(59), which is submitted in accordance with the provisions of paragraph 4.10.5 of the Guidelines on the organization and method of work of the Committees and their subsidiary bodies (MSC-MEPC.1/Circ.2).

2 The shipping industry has long called for the development and implementation of threshold values and exemptions for the materials listed in Appendices A and B of the Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships, 2009, which should be included in the Inventory of Hazardous Materials. This document explains why such measures are felt to be essential for the success of the Convention and its associated technical standards, and proposes a methodology for their development.

Background

3 Regulation 5 of the Hong Kong Convention on the Safe and Environmentally Sound Recycling of Ships, 2009 states:

- 1 *Each new ship shall have on board an Inventory of Hazardous Materials. The Inventory shall be verified either by the Administration or by any person or organization authorized by it taking into account guidelines, including any threshold values and exemptions contained in those guidelines, developed by the Organization.*

4 Whilst the guidelines for the development of the Inventory of Hazardous Materials were approved at MEPC 59, they did not contain comprehensively assessed or agreed threshold values and exemptions. It should be noted that the Committee has accepted that the guidelines exist as a "live" document, open for amendment as appropriate. This was emphasized in the recommendation of MEPC 60 that industry proposals on approved sampling procedures should be included in the Inventory Guidelines, and that submissions should be made to MEPC 61 accordingly. It is the view of the organizations submitting this document that this revision presents a clear opportunity to also commence the remaining work required on threshold values and exemptions, in order to finalize the guidelines and make them fully implementable for both industry and States alike, not least since the two issues of sampling procedure and threshold values are intrinsically linked.

The argument for threshold values and exemptions

5 There are a number of reasons why threshold values and exemptions are required as a matter of urgency, but principally the issue concerns the viability of early implementation of the Convention by industry and States and, consequently, influences the likely speed of ratification and the instrument's entry into force.

6 Resolution 5 of the Diplomatic Conference expressly calls for Member States and industry to apply the technical standards of the Convention. This is already occurring, most notably through the significant uptake of Inventories of Hazardous Materials and Green Passports amongst shipowners, despite the incompleteness of the associated technical guidelines. However, the absence of threshold values and exemptions undermines such initiatives as a meaningful step towards *de facto* compliance in the interim, and has already resulted in problems during sales for recycling, as will be described.

7 From the perspective of implementation and ratification, the omission of threshold values and exemptions presents a significant obstacle for States. It is not unrealistic to describe the Inventory as the principal step towards wider compliance, since it provides the stimulus for all other life-cycle controls applied by the Convention, in particular, the development and use of Ship Recycling Plans verified by recycling authorities, which can then be used during the final survey to authorize a ship as ready for recycling and permissible for delivery. In essence, it forms the root of the Convention's oversight process to ensure safer and more environmentally sound recycling processes globally.

8 Without threshold values and exemptions these control processes become much more difficult to implement. Inventories are either perpetually incomplete due to the impossibility of listing each and every occurrence of a material on board irrespective of quantity or, alternatively, so all-encompassing and detailed as to be impractical for use. The problems arising from this are twofold. Firstly, it undermines the usefulness of the inventory as a tool for recyclers to better coordinate and improve their operations through Ship Recycling Plans. Secondly, it is equally detrimental to the intentions of Conference

resolution 5, since it will require the flag States conducting final surveys to authorize documents which lack firmly defined parameters, making the task considerably more difficult and running the risk that their details will be contested by facilities upon delivery, or leaving administrations liable in the event of accidents relating to hazardous materials. This would undoubtedly serve as a disincentive to the early implementation of the requirements of the Convention and to the ratification of the instrument.

9 Further to this, the open-endedness of inventories lacking the boundaries established by threshold values and exemptions can cause commercial difficulties at the point of sale, making it significantly easier for recyclers to allege discrepancies in the details of the inventory, resulting in delays and increased uncertainty at a time when the shipowner is particularly vulnerable. This signifies a substantial failing, as a key intention of the inventory process was to encourage greater transparency and responsibility, and hence simplify sales processes.

10 The issues highlighted above demonstrate that a pressing need exists for the development of threshold values and exemptions applicable to Appendix A and B materials if the early implementation of the technical requirements, and by extension, the ratification and entry into force of the Convention at the earliest opportunity, is to be viable.

Proposal

11 Determining what constitutes acceptable levels of threshold values and exemptions that do not constitute a threat to human safety and health or imperil the environment during the process of ship recycling will require diverse expertise beyond that immediately available to the working group on ship recycling. As a minimum, the group will require expertise in the characteristics of hazardous materials used in ship construction, existing international legislation governing the use of such materials, ship building and recycling practices and the circumstances under which materials pose hazards to human health and conditions for safe handling and disposal. Given the evident breadth of technical knowledge required, it seems most appropriate to convene an expert technical group for this task.

12 Regulations 6 and 7 of the Convention stipulate the requirements for the establishment of a technical group to review and amend Appendices 1 and 2. Whilst it is acknowledged that the technical group described under these provisions cannot be established until the Convention has entered into force, it is felt that the process should be followed as closely as possible in order to establish principles for the proposed expert group.

13 As has already been established, the previous decisions of the Committee acknowledge that further development of the inventory guidelines is both required and expected, and utilizing the service of an expert group would ensure that this further work is as accurate and informed as possible. Following this process will provide key benefits for the Convention's future success and robustness – it will increase the speed of work necessary to fulfil Convention requirements as specified in Conference resolution 5. Furthermore it will prepare the ground for the fulfilment of regulations 6 and 7 of the Convention by testing the procedures of the technical group before it is required by entry into force of the Convention.

14 The group could be formed under the direct auspices of the Committee itself, or through one of its sub-committees, or a combination of sub-committees with the appropriate expertise.

Conclusion

15 The development of threshold values and exemptions is crucial to the viability of the Inventory of Hazardous Materials and all associated elements of the control process outlined in the Convention and its application through the relevant guidelines. As such, it is critical to the instrument's success and timely entry into force, and will assist all stakeholders and States in fulfilling their obligations in a transparent manner. It is therefore imperative that the necessary work be undertaken in the swiftest possible time frame.

Action requested of the Committee

16 The Committee is invited to consider the comments and proposals provided and to decide and take action as appropriate.
