

Whatever happened to quality?

Sir, Although the world moved from *protecting* the environment in the 1980s to *improving* the environment in the 1990s, even today MARPOL permits ships to dump waste – including recyclable items such as paper, metal, cardboard, ceramics etc – into the oceans. Not only does this damage the already declining pH level of the oceans but it also depletes global resources that could be recycled. The IMO's environmental head says the agency did all it could to put shipping high on the UN's COP15 agenda.

In 2009, during the Panama Maritime IX conference, IMO secretary-general Mitropoulos said: "Few, if any, will be immune from the consequences of the global financial crisis in 2009. Maintaining their determination to provide quality to customers is the only way people involved in shipping could emerge from the slump."

The ISM Code is the 'bible' around which a shipping company's management system procedures are developed. While the word 'safety' appears 202 times in the code, the words 'quality' and 'customer' make no appearance at all. The word 'improvement', a hallmark of every management system standard, does not figure

either. Not everyone knows that the ISM Code was derived from the initial 20 elements of the ISO 9000 (1987 version) standard, after the imprudent and unfortunate elimination of 11 of the 20 elements including 'customer' and 'quality'.

It's not that the maritime industry is less aware of the environment, quality, customer or resource/energy conservation, but rather that perhaps it is not equipped with the adequate code and management system tools, thus retarding the intellectual progress of the industry.

Regulators must consider revamping the existing ISM Code to integrate current and future issues into a visionary 'management system code' in a holistic manner. On the other hand, shipowners must perceive codes and management systems standards as 'top and bottom line improvement tools', and not compliance or expense issues. Understanding and appreciation of this is essential to get the maritime industry back to the enviable position it has always occupied in the past. ■

Yours etc

Capt Naveen S Singhal, Singapore

The price of pollution

A book exploring who should pay for pollution is timely with emissions high on the IMO's agenda. However, as the shipping industry awaits emissions regulation, academics are wondering who should pay. Addressing moral and distributional considerations, their insights appear in *Transport Welfare and Externalities*, which has several contributors and is published by Edward Elgar Publishing.

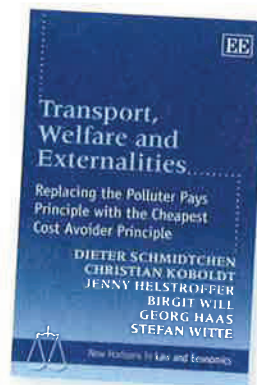
The book supports the 'Polluter Pays Principle' (PPP), which is to take the cheapest cost and ensure that it is primarily paid by the 'polluters' in a given scenario, although the foreword adds, "whether this is the fairest solution is another matter."

This book is only 115 pages long and shipping is not singled out as the big bad wolf. Rather, it looks at the broad picture, highlighting the fact that many parties are in play, and that society may have to accept

a certain degree of environmental damage to achieve economic progress. It features many theorems and graphs, the language is theoretical at times, but will be generally straightforward for its target audience: policy-makers.

The contributors stress that the polluters are not the only cost-drivers: both pollutees and the state can also contribute to reducing social costs. The authors show that applying the Cheapest Cost Avoider Principle (CCAP) instead of the PPP can lead to substantial welfare improvements. CCAP is presented as superior to the PPP, both methodologically and practically, in identifying the most appropriate policy for dealing with external effects in transport.

PPP is criticised for neglecting the fact



that external costs are caused jointly by all involved parties. The real problem for welfare maximisation – addressed by the CCAP – is to avoid the most serious harm. The book argues that CCAP guarantees efficiency, fair competition and equity.

This book shows that some form of cost-benefit analysis also helps to avoid regulatory failure. Two case studies, showing that the methodology of the

CCAP can be applied in practice, and a critical assessment of the European greening transport policy complete this volume.

Shipping stakeholders concerned with transport policy, environmental policy and regulatory impact assessment will find this book valuable. ■ **Miriam Fahey**

Transport, Welfare and Externalities is published by Edward Elgar Publishing, £59.95. For purchase details, see www.e-elgar.com.



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