

March 30, 1973

STATEMENT OF CAPTAIN G. H. READ, DEPUTY CHIEF,
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BEFORE THE SUBCOMMITTEE ON OCEANS AND INTERNATIONAL
ENVIRONMENT OF THE SENATE FOREIGN RELATIONS COMMITTEE

Mr. Chairman and Members of the Committee:

I am Captain G. H. Read, Deputy Chief, Office of Merchant Marine Safety, United States Coast Guard. The tonnage measurement program for United States vessels is a responsibility of the Office of Merchant Marine Safety.

It is a privilege to appear before you today to strongly support ratification of the International Convention on the Tonnage Measurement of Ships, 1969. We in the Coast Guard are familiar with and fully support the President's recommendation that the Senate give its advice and consent to acceptance of the Tonnage Convention subject to the understanding that convention tonnage will not be used as a basis for assessing tolls for transiting the Panama Canal.

The Tonnage Convention will afford some very substantial benefits to United States shipping and related industries, port and other charging authorities, and even to the Congress and the regulating administrations. It will for the first time provide a single, internationally recognized, reliable, uniform system of tonnage measurement to replace the several different national systems now in use. Vessels having the same cargo capacities and passenger accommodations, regardless of their nationalities, will have the same net tonnages. Vessels of the same sizes will have the same gross tonnages. Authorities will be confident that when they assess

charges on tonnages they will be treating all vessels equitably. Legislative bodies and regulating agencies will be certain that when they need a reliable, immutable designation of vessel size, they can specify gross tonnage. Perhaps, most importantly, our shipping industries will have the assurances of protection of uniform and equitable treatment of their vessels with respect to charges against tonnages and to regulations controlled by tonnages on a world-wide basis. An existing vessel engaged in international voyages will be able to retain its existing tonnages indefinitely for purposes of determining whether provisions of other existing international conventions having tonnage boundaries apply to it. For all other purposes the vessel will have a twelve-year transitional period after the Convention comes into force to shift to the new system unless it is so altered or modified that its tonnages are substantially changed.

The Convention will come into force 24 months after at least 25 nations representing at least 65 per cent of the gross tonnage of the world's merchant shipping have accepted or otherwise become bound to the Convention without reservation. At this time I understand that 13 nations representing about 45 per cent of the world's shipping have signed without reservation. Japan, representing about 12 per cent, is expected to sign early in 1974. Accordingly we estimate that the Convention could come into force in approximately late 1976.

Public and governmental support has been almost unanimous. The Coast Guard is unaware of any opposition to the principle espoused by the Convention that the sizes and earning capacities of vessels of all

nationalities engaged in international voyages should be determined by the same standards.

I do not wish to imply by that statement that everybody in the United States connected with the building and operation of vessels is convinced that they would only benefit from the Convention. That simply would not be true. I will return to this point later. First, however, I would like to spell out some of the very substantial support for the Convention.

At the request of the Department of State, late in 1969 and early in 1970 we sought expressions of interested persons and groups as to support or lack of support of ratification. To that end we contacted port authorities, the shipping industry, the Governments of all the States and Territories, and the departments of the Executive Branch concerned with this matter. All but two responses supported ratification as being highly desirable.

The Governors of Massachusetts and Rhode Island withheld their support. They expressed concern over the impact of the Convention on small vessels, especially those which are not specifically required to be measured under the Convention. We had indicated an inclination to measure these vessels domestically under similar rules. We assured the Governors that in preparing the draft legislation, if domestic law was to be affected, we would consider clauses exempting existing vessels with appropriate amendment of the various laws and regulations related to safety so as to achieve equitable impact on new vessels. As earlier mentioned the Convention itself provides for continued use of existing

tonnages for all purposes for existing vessels on international voyages during a twelve-year transitional period after the Convention comes into force and beyond that time for application to other existing international conventions.

While we were not able to fully consider application of all the various safety laws in the available time, we were able, with the help of industry, to work out what we believe will be a most reasonable way for the implementing legislation to accommodate all vessels regardless of size and whether or not they would be subject to the Convention.

Before proceeding with the question of the small vessels, however, I would like to point out that owners of conventional and large cargo vessels of all types have expressed willingness to make substantial compromises in order to attain the goal of a universal system of tonnage measurement of ships.

In preparing for the 1969 Tonnage Conference, for example, American and Liberian owners decided that they could not reasonably defend the peculiarly American and Liberian exemption for water ballast. Some vessels with large water-ballast spaces have gross tonnages less than half those of similar vessels from other countries. On the other hand, a policy adopted in this country in the 1950's of requiring subsidized vessels to meet a one-compartment subdivision standard made it practically impossible for operators to obtain open shelter-deck vessels for operation under the American flag. With tonnages up to 50 per cent higher than their open shelter-deck competition from other countries, American vessels were at a decided disadvantage.

As a result of compromises on those and similar points by owners and others at the Conference, the Convention will eliminate those and other large exemptions which now distort gross tonnage as a reliable vessel-size index. Gross tonnage under the Convention will be a function of the molded volume of the entire vessel.

As was pointed out in the letter of May 25, 1972, by the Acting Secretary of State, attached to the President's message of June 15, 1972, gross tonnage is almost universally used to provide a basis for comparison of vessels in connection with administration of national laws, international conventions, drydocking charges and the like where vessel size is important. Net tonnage, on the other hand, usually gives a measure of a vessel's cargo and passenger carrying capacities and is used principally as a base to assess tolls, port dues, tonnage duties and the like where the charges are more properly a function of the vessel's earning capacity or ability to pay than a function of its sheer size.

Some examples where gross tonnage is used in the administration of international conventions and national laws include:

the International Convention for the Safety of Life at Sea, 1960, which applies to certain vessels of 500 gross tons or more;

the Officers' Competency Certificates Convention, 1936, which applies to certain vessels of 200 gross tons or more; and

46 USC 367 which makes certain vessels of 300 gross tons and over subject to Coast Guard inspection.

There are other examples. For purposes of this discussion, however, your attention is invited to the fact that these tonnage boundaries are

comparatively low and do not concern operators of large vessels which are clearly over the limits.

At the time the United States was preparing for the Tonnage Conference comparatively few small United States vessels were engaged in international voyages. Therefore, operators of small vessels apparently were not greatly concerned with the preparation for the Convention. Recently, however, United States offshore supply vessels in the oil and mineral industries have been operating overseas and their owners have expressed concern about their vessels if the Convention comes into force and other compensating changes are not made to existing safety laws.

Their concern is justified. Although for most vessels there is excellent correlation between vessel sizes and gross tonnages, the United States admeasurement laws, which are most specific in defining how vessel measurements shall be taken, do not specifically provide that gross tonnages should vary with vessel sizes. That is true also of the current laws of other maritime nations. Still, legislative bodies and international conferences have used gross tonnages as though they were perfectly adapted for use as vessel-size indicators to determine the applicability of various provisions of national^{low} and international conventions. This naturally led to the designing of ever larger vessels with low gross tonnages. There are now in service, for example, a number of offshore supply vessels of just under 200 or 300 gross tons which, if designed without concern for their gross tonnages under current law, would measure as much as three times their present tonnages. Such vessels would also measure as much as three times their present tonnages if they were measured under the Convention system.

At the same time, however, this Subcommittee should be aware that segments of the international community have expressed concern over the international regulation of these small vessels of the United States now engaging in international voyages. It is our feeling that an indication by the United States that we are unable or unwilling to exercise appropriate regulatory controls over these vessels could result in unilateral regulation by other nations. We feel that acceptance of Tonnage Convention standards for these vessels as well as others is necessary to avoid any such result.

Our position, as spelled out in the letter addressed to the President by the Acting Secretary of State, and enclosed with the President's message, remains to recommend that the United States accept the Convention. This is because of the substantial benefits which would ensue to the United States from application of the proposed system as evidenced by the strongly favorable comments expressed by port authorities, the shipping industry, departments of the Executive Branch, and the States and Territories of the United States.

As to accommodating small vessels, we have assured industry that we do not intend that more vessels would come under Coast Guard inspection, manning and licensing requirements merely because they would be assigned higher tonnages under the Tonnage Convention. Ultimately, of course, it will be for the Congress in considering the implementing legislation, to decide how the Convention tonnages should be used with respect to those requirements.

On November 14, 1972, we met with representatives of the shipping industry, the towing industry, and the offshore marine supply industry

to consider ways that the Convention might be implemented without imposing unreasonable additional requirements on the latter two industry groups. Just this past week we conveyed informally to members of those industries the Coast Guard's thinking about several proposals received from the offshore marine supply industry in mid-December. Our position on the proposals must, of course, be formalized and it will be. We believe that the position we have developed is reasonable and we hope that it will enable the small vessel industries to support ratification.

A recapitulation of our position is to draft implementing legislation in which the Convention system would be the basic system for measuring vessels. An existing vessel engaged in international voyage would be able to retain its existing tonnages indefinitely for purposes of determining whether provisions of other existing international conventions having tonnage boundaries apply to it. For all other purposes such an existing vessel will have a twelve-year transitional period to shift to the new system unless it is so altered or modified that its tonnages are substantially changed. Every new vessel at least 79 feet long whether or not it engages in international voyages would be measured under the Convention system. Provision would be made for measurement of such a vessel according to the present system at the owner's option to determine the applicability of United States standards for inspection, manning and licensing during the 12-year transitional period insofar as that action would not exempt such a vessel from provisions of another international convention when on an international voyage. If experience gained during the transitional period indicates that continued or

different exemption from United States standards is desirable, it can be provided at that time. If new standards are needed, they can be developed and adopted.

Although we believe that our plan for implementing the Convention and applying a similar system of measurement to vessels not engaged in international voyages is completely reasonable, we fully intend to carry out the discussions with industry which we have already begun before we complete the drafting of implementing legislation.

In the meantime, Mr. Chairman, we strongly believe that it will be to the advantage of the United States to ratify the new Convention. The problems I have discussed can and will be dealt with in the implementing legislation.

Mr. Chairman, thank you for the opportunity to speak in behalf of the Convention. This concludes my prepared statement. I and members of my staff will be pleased to respond to any questions you or members of the ^{Sub-}Committee may have.