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HOUSTON, TEXAS**The ISM Code and Equipment Maintenance in the
Offshore Oil Patch****Written by:****Capt Mitchell S. Stoller**

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**The ISM Code
and
Equipment Maintenance in the Offshore Oil Patch**

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"The oil industry will be on probation for the foreseeable future"

EXECUTIVE SUMMARY

There is no arguing that the rugged environmental and workplace conditions of the offshore oil-field environment are tough on vessel equipment. That is why—as a basic principle of maritime safety—vessel owners, managers, contractors, and operators must not only select reliable equipment, but they must also inspect and maintain it.

The International Safety Management (ISM) Code imposes equipment maintenance requirements for certain vessels used in the offshore oil industry. The oil patch's vessel owners, managers, contractors, and operators are generally aware of the Code's requirements. As a condition of compliance with the Code, oil patch vessels are audited both internally and externally. Because the ISM Code is written in general terms, questions and disagreements arise on the specific application of the Code to certain vessels and equipment.

This paper outlines the Code's applicability and equipment-maintenance requirements for oil-field support ships, Mobile Offshore Drilling Units (MODU), Floating Production Storing & Offloading Facilities (FPSO), Floating Storage Units (FSU), and offshore production platforms.

The Code's section on equipment maintenance and related regulations from the Code of Federal Regulations (CFRs) and the U.S. Coast Guard's *Checklist for ISM Maintenance* are attached as appendixes.

I. Chronology of ISM Code Legislation

The International Maritime Organization's (IMO) purpose in creating the Code was to "provide an international standard for the safe management and operation of vessels and of pollution prevention."²

On November 4, 1993, the IMO passed a resolution³ that created the International Safety Management (ISM) Code. Six months later in May 1994, the ISM Code was embraced by the

¹ Tony Munoz, *OP-ED, A Brave New World - New Rules for Drilling in the OCS*, The Maritime Executive, Oct. 15, 2010. <http://www.maritime-executive.com/article/brave-new-world-new-rules-drilling-ocs>.

² See IMO's *Implementation of the International Safety Management (ISM) Code*, MSC Circ. 10-20, MEPC Cir. 387, Jan. 3, 2002, p 2. Also see IMO Resolution A.788(18).

³ Resolution A.741(18).

Safety of Life at Sea Convention (SOLAS).⁴ At the U.S. Coast Guard's request, Congress gave the Coast Guard authority to enforce the ISM Code.⁵ Late in 1997, after a public-review period, the Coast Guard finalized its rules for ISM compliance.⁶

In the United States on July 1, 1998, *Phase I* of the ISM Code became effective and enforceable for most gas and oil tankers, passenger vessels over 500 gross tons, and cargo ships (bulk and chemical). On July 1, 2002, *Phase II* applied to almost every cargo ship over 500 gross tons—including container ships—and to every significant *self-propelled*, non-moored Mobile Offshore Drilling Unit (MODU).⁷ [See 33 CFR 96.210(a)(2)(ii) and 46 CFR 107.415.]

II. Basic Requirements of the ISM Code

Each ISM Code management system centers on the development and implementation of a written manual that outlines a Safety Management System (SMS) for each company. Once a company has developed and implemented its SMS, the company must be audited by an independent, third-party classification society—almost certainly a member of the International Association of Classification Societies (IACS)⁸—such as the American Bureau of Shipping (ABS) or Det Norske Veritas (DNV). The Coast Guard then verifies and approves the company's SMS.

To comply with the Code, a company must generate manuals containing its ISM-compliant policies and procedures, including details of vessel management and vessel operation.

The Code thus creates a paper-driven system of quality vessel management: compliance with the ISM Code requires a company to generate a lot of paperwork. Is the ISM Code merely an exercise in paperwork? A limited number of court cases have discussed the specific requirements of the Code. Debate continues on whether courts should be asked to view the ISM Code as series of paperwork requirements or whether the ISM Code establishes performance-based requirements for vessel operation.

⁴ SOLAS Chapter IX.

⁵ International Safety Management (ISM) Code was codified in federal law as:

46 U.S.C. 32, *Management of Vessels*; and

33 C.F.R. 96, *Rules for the Safe Operation of Ships and Safety Management Systems*.

⁶ 62 Federal Register 67,492, Dec. 1997.

⁷ Title 46 CFR 46 CFR 107.111 defines a MODU as a vessel capable of engaging in drilling operations for the exploration or exploitation of subsea resources. MODUs may be either self propelled or non self propelled. Non-self-propelled MODUs are barges that are towed to a drilling site and then either set on the bottom or "jacked up" out of the water, which removes them from navigation.

Self-propelled MODUs operate as vessels during all modes of operation. They maneuver to the drill site and either anchor or are dynamically positioned over the well site. They maintain a navigation/marine crew during the entire operation.

⁸ "Dedicated to safe ships and clean seas, IACS makes a unique contribution to maritime safety and regulation through technical support, compliance verification and research and development. More than 90% of the world's cargo carrying tonnage is covered by the classification design, construction and through-life compliance Rules and standards set by the eleven Member Societies of IACS." IACS Internet Web site, <http://www.iacs.org.uk>.