

# SEA Europe and the EU ROs Joint Workshop on Mutual Recognition of Certification under Article 10 of EC Regulation 391 /2009



August 2013

## Joint Report

This document gives an outline of the topics discussed and the actions arising from the joint workshop held between SEA Europe members and the 12 EU ROs on 7 May 2013 at the Madison Hotel, Hamburg.

# SEA Europe and the EU ROs Joint Workshop on Mutual Recognition of Certification under Article 10 of EC Regulation 391/2009

## JOINT REPORT

### Summary

This was a joint event organized by the EU ROs and SEA Europe.

It was jointly chaired by Chris Campbell Chair of EU RO MR Advisory Board and Douwe Cunningham, Secretary General of SEA Europe; the question and answer sessions were moderated by Dr. Martin Kröger Managing Director of the VDR German Ship Owners Association.

There were three presentations delivered by the EU ROs and three by representatives of industry. The presentations were intended to provide an overview of the status of Mutual Recognition today and to set the scene for the open forum sessions.

The objective of the workshop was to explore opportunities whereby SEA Europe and the EU ROs might be able to improve their communication on the subject of mutual recognition.

This report provides a record of the discussions and outcomes of this workshop.

# SEA Europe and the EU ROs Joint Workshop on Mutual Recognition of Certification under Article 10 of EC Regulation 391/2009

## JOINT REPORT

<b>Table of Contents</b>	<b>Page</b>
Summary	1
Background	3
Workshop Discussion Items	5
Conclusions	9
Appendix 1 – Agenda	10
Appendix 2 – Presenter Profiles	11
Appendix 3 – List of Attendees	12
Appendix 4 – Feedback	13

# SEA Europe and the EU ROs Joint Workshop on Mutual Recognition of Certification under Article 10 of EC Regulation 391/2009

## JOINT REPORT

### Background

#### EU ROs

Mutual Recognition has introduced a new regulatory regime on Classification. Regulation No 391/2009 imposes a new set of legal requirements. This EU regulation has moved beyond the statutory requirements as governed by IMO conventions, as it is applied in the context of classification. This impacts classification processes directly, requiring class societies to harmonize technical requirements for materials, equipment and components, (hereinafter referred to as products) that would not normally be subject to statutory inspection (e.g. electric motors, sensors, resin chock material). This is a unique situation in that it is applying a statutory requirement under EU law which does not fall within the scope of any existing IMO conventions.

A stipulated aim of the European Union is to ensure cooperation and exchange of knowledge between ROs and to promote highest safety. In the light of this, the 12 EU ROs have developed and agreed a sustainable common understanding of the Article 10 and can now offer mutual recognition initially for products certified under type approval.

#### SEA Europe

SEA Europe is the European Ships and Maritime Equipment Association. Originating from an amalgamation of EMEC, the European Marine Equipment Council, and CESA, the Community of European Shipyards' Association, its purpose is to represent the European maritime technology industry as a whole.

Shipyards and equipment makers largely share common interests, concerns and policy objectives. They serve global, highly competitive markets with complex technology requirements. SEA Europe operates within an array of working groups complemented by sector committees that deal with specific market segment matters.

### **The Workshop**

The subjects covered by the EU ROs at the workshop included: an explanation of work done by the EU RO's in developing mechanisms to enable mutual recognition for products that can be accepted under type approval certification alone, an outline of how future product selection will be carried out using a simplified risk based model for assessing eligibility for type approval and looking beyond this at how other products for mutual recognition might be considered through the development of more comprehensive risk based mechanisms.

The industry presentations covered: certification requirements for material incorporated into marine components and equipment, the challenges faced by electrical equipment integrators in meeting the certification requirements for individual components and for the systems into which they are fitted and a challenge to class societies to move away from the prescriptive rules towards a functional approach and for there to be more transparency in the charges levied for services. There was also a call for increasing the number of pieces of equipment that Unified Requirements could be applied to, to increase the opportunities for mutual recognition.

The reason for opening this dialogue and limiting it to SEA Europe initially was outlined by the chair. The previous industry workshop held in December 2011 was delivered to a wider group of stakeholders with a view to gaining a cross section of opinions about MR. The intention of this joint EU RO, SEA Europe workshop was to focus more on the practicalities and possibilities of how MR might be delivered. Initially taking into consideration industry expectations but with the understanding that, whatever the outcome of the deliberations, they would need to be reviewed by key stakeholders including shipowners and flag administrations.

The general mood of the event was one of challenging but constructive debate and there was a good degree of interest on the part of most attendees in further dialog on development of mutual recognition.

## Workshop Discussion Items (with agreed actions underlined>)

Key issues noted from the question and answer sessions and from the afternoon forum sessions are included below. These are numbered for ease of reference rather than appearing in the order in which they were discussed during the day.

1. The rationale behind the choice of type approval as a route to MR certification was explained. Mutual Recognition Type Approval systems including assessment procedures were developed. The initial products to be subject to Mutual Recognition Type Approval were selected for pragmatic reasons due to the correlation between the product technical requirements of the EU ROs.
2. The position of type approval in the safety pyramid was also explained, but it was evident during the discussion that the use of the safety pyramid to represent a safety hierarchy was misinterpreted by a few workshop attendees. Some attendees thought that the different levels could be applied flexibly depending on product functions and applications and others thought that the risk assessment methodology being proposed was intended to rate products thus allowing them to be categorized against the 6 levels in the pyramid. The purpose of describing a safety pyramid was purely to show the basis for selection of type approval and to make the point that it would be impossible to consider other routes to MR certification without first considering the safety impact. Hence the reason for suggesting the introduction of a risk based methodology.
3. How such a risk model might work in practice has yet to be defined but it is recognized that as safety is a major consideration, a system needed to be developed. The EU ROs risk presentation was designed to stimulate discussion about how it might be used to help determine eligibility of products for MR certification.

4. Following discussion about costs, it was noted that MR was likely to cost more money not less due to the additional processes required to ensure that system safety is not compromised through inappropriate certification and the additional costs associated with the development work. It was also pointed out that some flag administrations outside of Europe will not accept MR, which could add to the cost of certification. The legal aspects might be addressed to and considered by the EU Commission.
5. There was an industry concern that material had been excluded from MR. The ROs commented that this was not the case and that it would be subject to further discussion. The VDMA presentation introduced a concept of MR of material certification. It was confirmed that the material being referred to relates to material used in the manufacture of components and equipment for use on-board ships, not to structural material. And that the certification referred to, applies to the raw material stage before secondary working (e.g. for primary raw material such as a machinery casting, the certification of chemical and mechanical properties).
6. There was interest on both sides, in further exploratory discussions, on how the parties might be able to improve the dialogue on how material is currently certified and whether this might be an area for MR.
7. A parallel exercise could be considered to explore the possibility of using risk based techniques to help decide whether such certification considerations present a sufficiently low risk to safety, and whether this would provide a methodology for identifying potential areas for MR. The risks here relate to the product and to the confidence in the certification process described by one of the attendees as a third dimension to the safety pyramid. SEA Europe confirmed their interest in some form of cooperation.
8. Both of the above could form the basis of a working relationship between SEA Europe and the EU ROs. The parties acknowledged that they would need to discuss these proposals with their respective boards and revert. It was confirmed that the next EU

RO MR AB would be on 11 June, and that a scope of work could be prepared following that meeting.

9. It was also confirmed by the chair of the EU RO AB that the outcome of any final proposals would need to be approved by all 12 EU ROs. Any proposals would also need to be shared with stakeholders to ensure that they are comfortable with them.
10. In addition to the above it was confirmed that the EU ROs would continue to expand the MR product list under existing type approval arrangements whilst the above discussions are on-going. However, in answer to another question about the level of interest in MR shown by industry, the EU ROs informed that it had been low during consultation but too early to comment on certification take up at this stage.
11. A suggestion was made by the EU ROs that consultation with industry groups on the development of product technical requirements might be improved if the process was channeled through the relevant industry associations in the future rather than through a selection of individual manufacturers as has been done in the past. This might also help to promote MR certification more widely. SEA Europe accepted this suggestion. Both sides will therefore cooperate on future product technical requirement consultation through the relevant trade associations.
12. A question about worldwide impact of MR certification was raised and it was confirmed that MR would be applied equally wherever it is delivered, irrespective of the class society providing the service or the country in which the society is operating in.
13. There was some debate about how the workshop discussions and proposals might be communicated to other parties such as IACS and whether links could be established with IEC to ensure that where product technical requirements reference IEC standards they are maintained up to date ahead of rules' changes coming into force, and allowing marine feedback to be used in the standards making process. This is to be investigated by the EU ROs.

14. The EU ROs were challenged about the introduction of common rules for mutual recognition. In reply it was stated that whilst common rules are possible as shown by CSR, this is not without considerable cost and time, and would only work if adopted widely. This could be a major stumbling block for EU mutual recognition due to the opposing views expressed in some parts of the world.
15. A question was raised about industry participation in EU RO MR meetings. It was stated for reasons of conflicting interests, that it would not be appropriate, but that this would be referred to the next EU RO MR Advisory Board meeting for consideration. *(post AB note; the EU ROs will be willing to convene meetings where guest speakers can present their views on MR but these will be separate from the formal TC or AB sessions)*
16. The inference that there should be price transparency between the ROs was raised by a member of SEA Europe. It was confirmed that any pricing discussions should only take place between an RO and its client or the manufacturer it is providing a service to. The ROs would be in breach of Competition Law if they were to share any price information.
17. In answer to a question about liability under MR certification, the AB chair stated that there is no precedent at this stage to gauge this against, so it is unclear how it may pan out, but our legal advisors believe that the liability rest with the product certifier rather than the RO classing the ship.
18. A question was raised by SEA Europe about what incentive did the ROs have beyond 2014 when the EC report goes to the Parliament. In reply, the EU ROs pointed out that they would continue to work to meet their obligations under the regulation (refer also to 10 above).
19. Finally it was agreed that the EU ROs and SEA Europe should prepare a joint report for their members and for a final version to be submitted to the Commission. The general

view seemed to be that this could be completed before the end of June after approval by our respective boards.

## Conclusion

The workshop was well received by both SEA Europe and the EU ROs (see appendix 4 Feedback) and the general mood of the event was one of challenging but constructive debate and there was a reasonable level of interest on the part of most attendees to hold further discussions and to consider possible collaboration relating to the development of mutual recognition.

The intention to run a further workshop with other parties later in the year was also confirmed, but the timing of an industry wide workshop would depend on the output from additional discussions between SEA Europe and the EU ROs outlined in the above notes.

This report has been prepared by the Chair of EU RO MR Advisory Board with contributions from the EU ROs and SEA Europe.

Chris Campbell  
Advisory Board Chairman  
13 August 2013

## Appendix 1 – Agenda



### EU RO - Classification Societies Joint Workshop on Mutual Recognition of Certification Under EC Regulation 391/2009

on  
Tuesday, 7 May 2013 - 09:30 to 17:00  
at the  
Madison Hotel, Schaarsteinweg 4, 20459, Hamburg, Germany

#### Agenda

09h30-09h50	Welcome
09h50-10h45	'Where we are Today with Mutual Recognition'; a presentation by EU RO MR Advisory Board Chair, Chris Campbell and EU RO MR Technical Committee Chair, Gro Elisabeth Paulsrud
10h45-11h15	Q&A session
11h15-11h45	'Industry view on Certification Processes (Positive and Negative Aspects) Representing Issues Affecting Small and Large Equipment Manufacturers'; three short presentations by representatives of SEA Europe
11h45-12h15	Q&A session
12h15-13h15	Lunch
13h15-13h45	'How new Products will be Considered for MR using a Simplified Risk Based Model'; a presentation lead by Dr Ulrich Föster, EU RO MR Risk Group to provoke discussion on how a more comprehensive risk mechanism might be developed for assessing applicability of MR of products beyond the simplified risk approach
13h45-15h15	Workshop forum topics: * Following on from previous presentations, discuss how class rules influence certification; * Discuss how risk factors should be taken into consideration when deciding level of survey and certification; * If establishing a risk methodology is a way forward for MR, discuss how this might be developed.
15h15-15h45	Coffee break
15h45-16h30	Continue discussion and summing up of issues
16h30-17h00	Agree next steps

## Appendix 2 – Presenter Profiles



**Chris Campbell**

Chairman EU RO Mutual Recognition Advisory Board, Chartered Marine Engineer MIMarEST, MIMechE  
A Senior Business Manager with Lloyd's Register; currently responsible for Material, Components and Equipment survey development programme



**Gro Elisabeth Paulsrud**

Chairman EU RO Mutual Recognition Technical Committee  
Director of International Regulatory Affairs for Det Norsk Veritas (DNV)



**Dr Ulrich Förster**

Member of the EU RO Mutual Recognition Technical Committee and Chairman of the Expert Group 'Risk'  
A Senior Marine Business Manager with Lloyd's Register; Area Manager Marine Business Central and East European Area



**Peter Müller-Baum**

Deputy Managing Director, German Engineering Association VDMA - Engines & Systems  
Chairman of SEA Europe WG Classification



**Knut Andresen, PhD**

Member of the Board of the Maritime Branch of the Federation of Norwegian Industries  
Executive Vice President, Engineering and Research & Development, Brunvoll AS



**Oscar Rivella**

EMEA Marine & Offshore Segment Marketing Manager, Eaton Corp.,  
A Member of ATENA ( Associazione Italiana Tecnica Navale)



**Dr Martin Kröger (Workshop Moderator)**

Managing Director, German Shipowners' Association VDR

## Appendix 3 – List of Workshop Attendees

<u>EU ROs:</u>	<u>SEA Europe Members:</u>
Karel Van Campenhout, ABS	Sieger Sakko, Scheepsbouw Nederland
Igor Filipovic, ABS	Douwe Cunningham, SEA Europe
Laurent Courregelongue, BV	Klaus Rostell, Danish Maritime
Hans J. Gätjens, BV	Peter Müller Baum, VDMA (Presenter)
Haitao Wang, CCS	Tor Anderson, Norsk Industri
Yafeng Jiang, CCS	Sido Oevering, TKF Netherlands,
Gro Elisabeth Paulsrud, DNV	Jeroen van Velzen, TKF Netherlands
Eivind Flagstad-Andersen, DNV	Geir Gjerstsen, Kongsberg
Rolf Skjong, DNV	Knut Andresen, Brunvoll (Presenter)
Matthias Wiese, GL	Art Pieter Korteland, Deno Compressors
Tjerk-Johan de Vries, GL	Oscar Rivella, Eaton (Presenter)
Bernd Törkel, Törkel Consulting GmbH	Robert Barendregt, Eaton (Presenter)
Ulrich Foester, LR	Christian Schilling, VSM
Chris Campbell, LR	Michael Schröck, Siemens
Cassandra Kelly, EU RO MR Advisory Board	Sabine Herger, Siemens
Haruo Imai, NKK	Ralf Herrnberger, Caterpillar
Hiroki Mukai, NKK	Harald Krekel, MAN
Jacek Poturalski, PRS	Stephan Assheuer, Admaris
Giovanni Carratino, RINA	Rainer Philipp, Imtech
Henning Brunk, RINA	Martin Kröger, VDR (Moderator)
Tiago Santos, RINA	
Yuriy Shishkarev, RS	

## Appendix 4 – Feedback

