

The Ship's Agent

The maritime principal's eyes, ears, and hands in the port.

by MRS. JEANNE L. CARDONA

Executive Director

Association of Ship Brokers and Agents (U.S.A.), Inc.

A ship's agent is appointed by the ship owner to protect the owner's interests at the port of call, and is arguably one of the most valuable assets available to ship owners or operators.

He is entrusted with their reputation and protects their commercial interests through his actions, negotiations, and payments for services on their behalf. His expertise and reputation in his port as well as his relationship with port service providers and government officials enable him to successfully handle any issue with minimal loss of time. A quality ship agent enables ship owners, operators, and charterers to manage risk and realize significant and sustainable cost savings.

For example, in the "tramp" trades, where the owner's vessel is not engaged in the trade from one specific port to another (which is the case in liner trade), ship agents are even more important. The vessel may not have called at that port before, so the owner must rely on the expertise of his appointed ship agent, who needs to be intimately familiar with the services, personnel, and national and local requirements for the arriving vessel.

Time is Money

A major oil company offered the results of a study of its international operations that highlighted a potential annual savings of \$5,000,000 if it could enjoy just a 30-minute reduction of the worldwide turnaround time of vessels in port.¹ Ship owners, operators, and charterers all look to their ship's agent to expedite the vessel's port call and save them similar important and costly minutes.

The ship agent's job begins well before the vessel's arrival in port. Additionally, the agent must be available 24/7 and remain in constant communication with all concerned parties. The agent interfaces with local authorities to ensure that all advance notices have been received in good order and that the vessel has been cleared for entry. All pre-arrival and terminal information is then provided to the vessel. Ideally, the ship agent's coordination and oversight means that the vessel should arrive as scheduled and docks promptly, which equates to cost savings.



Mr. Ned Barham, T. Parker Host, Inc., boards a vessel in port to attend to entrance formalities. All photos courtesy of ASBA.

Once the vessel is in port, the ship's agent arranges appropriate port-based services, and in many cases, the agent is the first to attend the vessel upon berthing. A vessel captain relies on the ship agent for all of his needs while in port. For example, requirements for shore leave for seamen have changed in many countries since 9/11. For U.S. ports, seamen now require a visa to be granted shore leave; however, shore leave is not guaranteed. In some cases, terminals will limit seafarer access to its facility, which needs to be crossed to reach the port. Ship agents can assist in these and other areas, as they are familiar with terminal regulations in their ports.

Raising the Bar

Even in this very brief review of some of the functions of a ship's agent, it is obvious that this is a position with a great deal of responsibility and in which a ship's owner places a commensurate level of trust.

Think about it: The agent must have knowledge of all U.S. regulations for entering and clearing vessels and cargo, be equipped with and understand the latest computer technology, carry sufficient insurance coverage, and is typically advanced an average of \$50,000 from ship owners to purchase the required services for each port call. If you were a ship owner, wouldn't you want to appoint an agent who conforms to very high standards?

The Association of Ship Brokers and Agents (ASBA) has represented U.S. ship agent companies since 1934. Our agent members submit to a mandatory certification that requires that all member companies abide by our code of ethics, which includes a code of professional conduct as well as financial and insurance requirements.

This certification requires our agent members to submit to an annual procedural review by an outside certified public accountant, who must attest that the member's accounting procedures are such that all monies received from their principals are accounted for, supported by invoices and receipts, settled to their general ledger, and that the member utilizes generally accepted accounting principles. Additionally, ship agents employed by member ship agency companies must successfully complete an ASBA-administered "agent exam."



Mr. Jonathan Foster, Amelia Maritime Services, Inc., climbs the Jacob's ladder to board a vessel.

The Federation of National Associations of Ship Brokers and Agents, of which ASBA is a member, follows ASBA's lead by promoting a similar quality standard for ship agency providers around the world.

About the author:

Mrs. Jeanne Cardona has served as the director of the Association of Ship Brokers and Agents since 1999. She holds a B.S. in business administration from the University of Maryland. Under her direction, ASBA has grown its membership and as a voice in the maritime industry.

Endnote:

¹ Personal communication with Mr. Jason Kelly, Executive Vice President, Moran Shipping Agencies, Inc.

For more INFORMATION:

Visit the Association of
Ship Brokers and Agents at
www.asba.org

or the Federation of National Associations
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