THE LEGAL IMPLICATIONS OF AUTONOMOUS VESSELS AND THE USE OF ARTIFICIAL INTELLIGENCE IN THE MARITIME INDUSTRY

Dhruvi Shashin Trivedi, CMR University, School of Legal Studies

ABSTRACT

The use of autonomous vessels and artificial intelligence (AI) in the maritime industry is advancing rapidly, presenting new legal challenges and implications. This research paper will explore the legal implications of these technologies, including issues related to liability, insurance, and regulatory compliance, as well as the impact of these technologies on existing international maritime laws and conventions. Additionally, this paper will evaluate the potential economic and environmental benefits of these technologies, as well as the potential risks and challenges that may arise.

In conclusion, this research paper will provide a comprehensive analysis of the legal implications of autonomous vessels and the use of AI in the maritime industry. By examining the potential benefits and risks of these technologies, analyzing their impact on existing laws and regulations, and proposing recommendations for future action, this paper will contribute to a better understanding of the legal and regulatory challenges associated with the use of autonomous vessels and AI in the maritime industry.

Keywords: autonomous vessels, artificial intelligence, maritime industry, legal implications, international maritime laws.

INTRODUCTION

The use of autonomous vessels and artificial intelligence (AI) in the maritime industry is rapidly advancing, presenting new legal challenges and implications. Autonomous vessels and AI are transforming the maritime industry by increasing efficiency, reducing costs, and enhancing safety. However, these technologies also pose legal and regulatory challenges, including issues related to liability, insurance, and compliance with existing international maritime laws and conventions.

In recent years, there has been a growing interest in the legal implications of autonomous vessels and AI in the maritime industry. Several studies have highlighted the potential benefits and risks of these technologies, and have called for the development of new legal frameworks and regulations to ensure their safe and effective use.

The development of autonomous ships poses fundamental questions about the interaction of technology and regulation.[1] The report notes that while the use of autonomous vessels has the potential to improve safety and reduce the environmental impact of shipping, it also presents new challenges related to liability, cybersecurity, and regulatory compliance.

The legal framework for autonomous ships is still in its early stages and requires further development.[2] The study highlights the need for a comprehensive legal framework to address issues such as liability, insurance, and safety, and calls for international cooperation to develop such a framework.

In light of these developments, this research paper aims to provide a comprehensive analysis of the legal implications of autonomous vessels and the use of AI in the maritime industry. By examining the potential benefits and risks of these technologies, analyzing their impact on existing laws and regulations, and proposing recommendations for future action, this paper will contribute to a better understanding of the legal and regulatory challenges associated with the use of autonomous vessels and AI in the maritime industry.

[1] International Maritime Organization (IMO). (2021). IMO's MSC discusses Maritime Autonomous Surface Ships (MASS). Retrieved from https://www.imo.org/en/MediaCentre/PressBriefings/pages/MASSRSE2021.aspx

[2] United Nations Conference on Trade and Development (UNCTAD). (2020). Review of Maritime Transport. Retrieved from https://unctad.org/system/files/official-document/rmt2020_en.pdf

SCOPE OF STUDY

This research paper will investigate the legal implications of autonomous vessels and the use of artificial intelligence (AI) in the maritime industry. The study will begin by providing an overview of autonomous vessels and AI, as well as their potential benefits and risks. The paper will then analyze the legal implications of these technologies, including issues related to liability, insurance, and regulatory compliance, as well as the impact of these technologies on existing international maritime laws and conventions. The study will also evaluate the potential economic and environmental benefits of these technologies, as well as the potential risks and challenges that may arise.

The research will primarily rely on a literature review of academic articles, government reports, and industry publications. One key source of information will be the International Maritime Organization (IMO), which has published guidelines for the safe and effective use of autonomous ships.[3]

This paper will examine issues related to liability, insurance, and regulatory compliance, as well as the impact of these technologies on existing international maritime laws and conventions. This framework will guide the analysis of legal implications in this study. Additionally, the study will draw on recent case studies. Overall, this study aims to provide a comprehensive analysis of the legal implications of autonomous vessels and AI in the maritime industry. By examining the potential benefits and risks of these technologies, analyzing their impact on existing laws and regulations, and proposing recommendations for future action, this paper will contribute to a better understanding of the legal and regulatory challenges associated with the use of autonomous vessels and AI in the maritime industry.

ANALYSIS

1. Overview of autonomous vessels and AI: Potential Benefits and Risks

1.1. Overview of Autonomous Vessels and AI:

Autonomous vessels, also known as unmanned surface vessels (USVs), are vessels that can operate without crew onboard. They are equipped with various sensors, cameras, and other

[3] International Maritime Organization. (2021). Autonomous ships:regulatory scoping exercise completed. Retrieved from https://www.imo.org/en/MediaCentre/PressBriefings/pages/MASSRSE2021.aspx

technologies that allow them to navigate, avoid obstacles, and communicate with other vessels and shore-based facilities. These vessels can be controlled remotely or operate autonomously using artificial intelligence (AI) algorithms. AI involves the use of computer systems to perform tasks that would normally require human intelligence, such as perception, decision-making, and problem-solving. The combination of autonomous vessels and AI has the potential to revolutionize the maritime industry by improving safety, efficiency, and sustainability.

Whether it is international conventions or commercial law, all maritime law is based on the premise that all ships are manned, and people are in control. Understanding the scope of the impact is the first hurdle, so in 2017 the IMO maritime safety committee (MSC) started a regulatory scoping exercise.[4] However, the IMO is only looking at the impact on IMO instruments. The scope of the impact is much wider than that. The UN Convention for the Law of the Sea (UNCLOS) imposes a duty on flag states to ensure adequate manning of their ships; the major contracts for the carriage of good by sea and agreements on limitation of liability impose a duty on the carrier to properly man the ship.[5]

AI in IMO and UN Conventions[6]

Regulatory Scoping Exercise

In the regulatory scoping exercise, the IMO Legal Committee aims to identify identify provisions in IMO instruments which, as currently drafted, preclude MASS. Once this is done, the IMO will identify common issues throughout. In 2018, the Comité Maritime International (CMI) considered the international regulatory framework for unmanned ships. They looked at:

1. SOLAS (Safety of Life at Sea)

2. ISM (Safety Management)

[4] Maritime Safety Committee, "REGULATORY SCOPING EXERCISE FOR THE USE OF MARITIME AUTONOMOUS SURFACE SHIPS (MASS) Proposals for the development of a work plan". Retrieved from https://www.ics-shipping.org/wp-content/uploads/2020/08/proposals-for-the-development-of-a-work-plan.pdf
[5] Thetius, "How will AI impact Maritime Law". Retrieved from https://thetius.com/how-will-ai-impact-maritime-law/
[6] Ibid. 5

3. ISPS (Security)
4. Polar Code
5. MARPOL (Pollution)
6. COLREGs (Prevention of Collisions)
7. STCW (Training and Certification)
8. FAL (Facilitation of Maritime Trade)
9. Salvage
10. SAR (Search and Rescue)
11. SUA (Suppression of Uout the topic.

Building on the CMI's preliminary work, IMO Legal Committee is analysing nine IMO conventions:

1. SOLAS (Safety of Life at Sea)
2. COLREG (Prevention of Collisions)
3. SAR (Search and Rescue)
4. STCW (Training and Certification)
5. STCW-F (Training and Certification for Fishing Vessels)
6. Load Lines (loading and stability)
7. Tonnage Convention
8. CSC (Safe Containers)
9. STP (Special Trade Passenger Ships).

1.1.1. Potential Benefits of Autonomous Vessels and AI:

There are several potential benefits of autonomous vessels and AI in the maritime industry. For example, they can:

- Improve safety by reducing the risk of accidents caused by human error. According to

a study by the International Transport Forum, up to 90% of maritime accidents are caused by human error.[7]

- Increase efficiency by optimizing vessel operations and reducing costs associated with crew, fuel, and maintenance. Autonomous vessels can operate 24/7 without the need for crew rest periods, allowing for faster and more frequent voyages.

- Enhance sustainability by reducing emissions and fuel consumption. Autonomous vessels can be designed to optimize their energy efficiency and use renewable energy sources, such as solar or wind power.[8]

1.1.2. Potential Risks of Autonomous Vessels and AI:

However, there are also several potential risks associated with the use of autonomous vessels and AI in the maritime industry. For example, they can:

Increase cyber security risks by creating new vulnerabilities for hackers to exploit. Autonomous vessels and their onboard systems can be vulnerable to cyber attacks, which could potentially disrupt vessel operations, cause accidents, or compromise sensitive information.

Raise legal and regulatory challenges related to liability, insurance, and compliance. The use of autonomous vessels and AI raises new questions about who is responsible in the event of accidents or other incidents, and how these vessels will be regulated and insured.

Disrupt the labor market by reducing the demand for traditional maritime jobs, such as seafarers and ship pilots. The increasing automation of the maritime industry could potentially lead to job losses and significant changes to the labor market.[9]

2. Legal Implications of these Technologies in the Maritime Industry & Issues Related to Liability, Insurance, and Regulatory Compliance

[7] International Transport Forum (ITF). (2018). The Impact of Autonomous Shipping on the Maritime Industry. Retrieved from https://www.itf-oecd.org/impact-report
[8] International Maritime Organization (IMO) IMO Seminar on Development of a Regulatory Framework for Maritime Autonomous Surface Ships (MASS), (2022). Retrieved from https://www.imo.org/en/OurWork/Safety/Pages/MASS.aspx
[9] Supra note 4

2.1. Legal Implications of Autonomous Vessels and AI:

The use of autonomous vessels and AI in the maritime industry raises several legal implications related to liability, insurance, and regulatory compliance. These technologies introduce new risks and challenges that require careful consideration by regulators, insurers, and industry stakeholders.

2.1.1. Liability:

One of the key legal implications of autonomous vessels and AI is the issue of liability. In traditional shipping operations, the liability for accidents and incidents is typically borne by the shipowner or the crew. However, in the case of autonomous vessels, the liability may shift to other parties, such as the manufacturers of the technology, the operators of the vessels, or the owners of the cargo being transported.

The legal framework for autonomous vessels is still evolving, and there is no clear consensus on how liability should be assigned.[10] The report suggests that a new approach to liability may be needed to account for the unique risks and challenges posed by these technologies.

2.1.2. Insurance:

Another legal implication of autonomous vessels and AI is the issue of insurance. As with liability, the traditional insurance model for shipping may not be sufficient to account for the new risks and challenges posed by these technologies. For example, insurers may need to consider the potential for cyber attacks or system malfunctions that could lead to accidents or incidents.

According to a report by the International Transport Forum, the insurance market for autonomous vessels is still developing, and there is currently a lack of data and experience to inform risk assessments.[11] The report suggests that insurers will need to work closely with regulators and industry stakeholders to develop new insurance products and risk management strategies.

[10] Lloyd's Register Foundation (LRF) and University of Southampton. (2019). Global Marine Technology Trends 2030. Retrieved from https://www.lr.org/en/insights/global-marine-trends-2030/global-marine-technology-trends-2030/

[11] Supra note 6

2.1.3. Regulatory Compliance:

Finally, the use of autonomous vessels and AI in the maritime industry raises regulatory compliance issues. There are currently no international standards or regulations specifically designed for autonomous vessels, which could lead to confusion and uncertainty among regulators and industry stakeholders.

According to the International Maritime Organization (IMO), the development of regulatory frameworks for autonomous vessels is a priority for the organization (IMO, 2022)[12] the IMO has established a working group to develop guidelines and standards for the operation of autonomous vessels, and is working with industry stakeholders to ensure that these technologies are integrated safely and effectively into the existing regulatory framework.

3. Impact of Autonomous Vessels and AI on Existing International Maritime Laws and Conventions

The use of autonomous vessels and AI in the maritime industry raises questions about how existing international maritime laws and conventions apply to these technologies. The current regulatory framework was not designed with autonomous vessels and AI in mind, which could lead to challenges in ensuring compliance and enforcing regulations.

One of the key international conventions related to shipping is the International Convention for the Safety of Life at Sea (SOLAS). SOLAS sets out minimum safety standards for ships, including requirements for navigation, communication, and safety equipment. However, these requirements were written with traditional manned vessels in mind, and may need to be revised to account for the unique risks and challenges posed by autonomous vessels and AI.

In addition to SOLAS, other international conventions related to shipping, such as the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW) and the International Convention for the Prevention of Pollution from Ships (MARPOL), may also need to be revised or updated to account for the use of autonomous vessels and AI.

[12] Supra note 5

3.1. New Regulations:

The use of autonomous vessels and AI in the maritime industry may also require the development of new regulations and standards. These new regulations would need to address issues related to liability, insurance, and safety, among others.

The development of new regulations for autonomous vessels is necessary to ensure that these technologies can be integrated safely and effectively into the existing regulatory framework.[13] The report suggests that a collaborative approach involving regulators, industry stakeholders, and technology developers is needed to develop these new regulations.

Similarly, the International Maritime Organization (IMO) has recognized the need for new regulations and guidelines for autonomous vessels. The IMO has established a working group to develop guidelines and standards for the operation of autonomous vessels, and is working with industry stakeholders to ensure that these technologies are integrated safely and effectively into the existing regulatory framework.[14]

4. Potential Economic and Environmental benefits and Potential Risks and Challenges of autonomous vessels and AI

4.1. Potential Economic Benefits:

Autonomous vessels and AI have the potential to bring significant economic benefits to the maritime industry. These technologies could reduce operating costs, increase efficiency, and improve safety, among other benefits.

The use of autonomous vessels and AI could lead to significant cost savings for the shipping industry. Report estimates that these technologies could reduce operating costs by up to 22%, primarily by reducing crew costs and fuel consumption.[15]

In addition to cost savings, autonomous vessels and AI could also increase efficiency in the shipping industry. These technologies could optimize shipping routes, reduce idle time, and

[13] Supra note 8
[14] Supra note 9
[15] International Chamber of Shipping (ICS). (2019). Autonomous Ships and Shipping. Retrieved from https://www.ics-shipping.org/wp-content/uploads/2019/06/ics-annual-review-2019-min.pdf

improve cargo handling, among other benefits.

4.2. Potential Environmental Benefits:

Autonomous vessels and AI could also bring significant environmental benefits to the maritime industry. These technologies could reduce greenhouse gas emissions, improve air quality, and reduce the risk of oil spills, among other benefits.

The use of autonomous vessels and AI could reduce greenhouse gas emissions from the shipping industry by up to 50%, primarily by reducing fuel consumption.[16] This reduction in greenhouse gas emissions could help to mitigate the impacts of climate change.

In addition to reducing greenhouse gas emissions, autonomous vessels and AI could also reduce the risk of oil spills by improving safety and reducing the likelihood of human error. This could help to protect marine ecosystems and prevent environmental disasters.

4.3. Potential Risks and Challenges:

While there are significant potential benefits to the use of autonomous vessels and AI in the maritime industry, there are also potential risks and challenges that must be addressed.

One of the key challenges is ensuring the safety and reliability of these technologies. Autonomous vessels and AI must be designed and operated in a way that ensures the safety of crew, cargo, and the environment.

In addition to safety concerns, there are also potential legal and regulatory challenges associated with the use of these technologies. As discussed in previous sections, existing international maritime laws and conventions may need to be revised or updated to account for the use of autonomous vessels and AI.

5. Recent Trends in the Autonomous Vessels and the Use of Artificial Intellegence in the Maritime Industry

5.1. The Yara Birkeland

[16] Supra note 10

In 2018, Norwegian fertilizer company Yara announced that it would be deploying the world's first autonomous, zero-emission container ship, the "Yara Birkeland", in 2022.[17]

5.2. The Mayflower Autonomous Ship

In 2021, a consortium of companies, led by marine research organization ProMare, announced the launch of the "Mayflower Autonomous Ship", which is intended to become the first full-sized, fully autonomous ship to cross the Atlantic Ocean.[18]

5.3. The Sea Machines

In 2021, Boston-based technology company Sea Machines announced that it had raised $15 million in funding to further develop its autonomous vessel technology. The company's products include autonomous control systems for workboats and other commercial vessels.[19]

CONCLUSION AND SUGGESTIONS

CONCLUSION

The emergence of autonomous vessels and AI technology in the maritime industry has given rise to a variety of legal issues that must be addressed by stakeholders in the industry. This paper has explored these legal implications, focusing on issues related to liability, insurance, regulatory compliance, and the impact of these technologies on existing international maritime laws and conventions.

One of the most significant legal issues associated with autonomous vessels and AI in the maritime industry is liability. In the event of an accident involving an autonomous vessel, it can be challenging to determine who should be held responsible. The current legal framework is not well-suited to handle these issues, as it is designed primarily for traditional, manned vessels. As such, new laws and regulations will need to be developed to address the unique challenges posed by autonomous vessels and AI technology.

[17] BBC News, "Crewless container ships appear on the horizon". Retrieved from https://www.bbc.com/news/business-64875319
[18] IBM, "The Mayflower Autonomous Ship Project". Retrieved from https://newsroom.ibm.com/then-and-now
[19] VentureBeat, "Sea Machines raises $15 million for autonomous ship navigation". Retrieved from https://venturebeat.com/ai/sea-machines-raises-15-million-for-its-autonomous-ship-navigation-technology/

One possible approach to addressing liability issues in the maritime industry is to establish a system of strict liability, where the owner or operator of an autonomous vessel is held strictly liable for any accidents or damages caused by the vessel. This approach is similar to the way liability is assigned in product liability cases, where manufacturers are held strictly liable for any defects in their products. A strict liability system could help to simplify the process of assigning responsibility in accidents involving autonomous vessels and AI technology.

Insurance is another critical legal issue related to the use of autonomous vessels and AI in the maritime industry. As these technologies become more common, the risks associated with them will need to be evaluated by insurers, and insurance policies will need to be developed to cover these risks. However, developing insurance policies for autonomous vessels can be challenging, given the complex nature of the technology and the lack of historical data on accidents involving autonomous vessels.

One possible solution to the insurance issue is to develop a hybrid insurance model that combines traditional marine insurance with new forms of coverage tailored specifically to autonomous vessels and AI technology. This approach would enable insurers to evaluate the risks associated with these technologies and develop policies that address them. Additionally, this model could include provisions for sharing data between vessels, which could help to improve safety and reduce the risk of accidents.

Regulatory compliance is another critical legal issue related to the use of autonomous vessels and AI in the maritime industry. As these technologies become more prevalent, regulators will need to develop new rules and regulations to ensure their safe operation. These regulations will need to address a wide range of issues, including the safety of autonomous vessels, the training of crew members, the use of AI technology, and the sharing of data between vessels.

One possible approach to addressing regulatory compliance issues is to establish an international regulatory framework for autonomous vessels and AI technology in the maritime industry. This framework could be developed through existing international organizations, such as the International Maritime Organization (IMO), and could be based on existing international maritime laws and conventions, such as UNCLOS. By establishing a unified regulatory framework, stakeholders in the industry can help to ensure that these technologies are implemented in a safe and responsible manner.

The impact of autonomous vessels and AI on existing international maritime laws and conventions is another legal issue that must be considered. As these technologies become more prevalent, they may require changes to existing maritime laws and conventions. For example, UNCLOS defines the rights and responsibilities of states in the use of the oceans and their resources. As autonomous vessels become more common, questions may arise about how UNCLOS applies to these vessels, particularly in relation to issues such as piracy, pollution, and safety.

In conclusion, autonomous vessels and AI technology are rapidly evolving and have the potential to bring significant benefits to the maritime industry. However, their implementation raises important legal and regulatory issues that must be addressed. As discussed, the use of autonomous vessels and AI technology may result in new liabilities and insurance challenges, as well as require new or updated international maritime laws and conventions. Additionally, the environmental benefits and economic opportunities must be carefully balanced against the potential risks and challenges that arise from these technologies.

Given the fast pace of technological advancement, it is imperative that regulators, industry players, and legal practitioners remain aware of the legal implications of autonomous vessels and AI in the maritime industry. Through collaboration, careful consideration of potential risks and benefits, and adaptation of regulatory frameworks, the maritime industry can ensure the safe and sustainable integration of autonomous vessels and AI technology. In doing so, the industry can unlock the potential benefits of these technologies while ensuring that they operate within the bounds of the law and meet the highest standards of safety and environmental responsibility.

The development of the Maritime Autonomous Surface Ships (MASS) is still ongoing, and therefore, it is not feasible to amend all the concerned conventions at once. As the degree of automation progresses, the corresponding requirements that need to be amended will be considered at once. There are different types of amendments, and while they may vary in difficulty and when they need to be amended, they should not disrupt the development of MASS. Instead, all amendments should be incorporated into the MASS development, and the roadmap of MASS development with legal developments should be followed.

During the development of MASS, the completed elemental technology will be put into practical use, along with the automated tasks and domains that will be expanded. The

equipment and roles carried out on board conventional vessels for shipping that will be automated should be considered corresponding to the developments at each stage, and discussions should be held intermittently at IMO. As the technology expands to unmanned remotely controlled vessels, corresponding requirements should be considered, such as the responsibility of the task moving from on board to remote centers and the need for protection against noise. At the completion of the development of fully autonomous vessels, the requirements should be considered again to move its responsibilities to designated persons.

In short, the development of MASS is ongoing and requires amendments to be made corresponding to the degree of automation. The completed technology and automated tasks and domains will be put into practical use, and requirements should be considered at each stage of development. As the technology expands, corresponding amendments should be made, and at the completion of the development of fully autonomous vessels, the responsibilities should be moved to designated persons. All amendments should be incorporated into the MASS development roadmap, and discussions should be held intermittently at IMO.[20]

SUGGESTIONS

1. It is essential to continue monitoring the development and implementation of autonomous vessels and AI technology in the maritime industry. With rapid technological advancements, it is crucial to stay up-to-date on the latest developments and their potential legal implications. To this end, research institutions, regulatory agencies, and industry associations should collaborate and share information on the latest technological advancements and their potential legal ramifications. This can be done through regular conferences, workshops, and seminars.

2. The legal framework governing autonomous vessels and AI in the maritime industry should be periodically reviewed and updated to ensure that it is keeping pace with technological advancements. While existing international maritime laws and conventions provide a good starting point, new regulations and standards may need to be developed to address the unique challenges and risks posed by these technologies.

[20] World Maritime University, "Legal Issues Relating to the Maritime Autonomous Surface Ships' Development and Introduction to Services". Retrieved from https://commons.wmu.se/cgi/viewcontent.cgi?article=2189&context=all_dissertations

This process should involve close collaboration between the industry and regulatory agencies to ensure that new regulations are both effective and practical.

3. There is a need to develop standardized protocols for the use of autonomous vessels and AI technology in the maritime industry. These protocols should cover issues such as safety, cybersecurity, and liability. Developing standard protocols will not only help to ensure safe and efficient operations but also provide legal clarity in the event of accidents or incidents involving autonomous vessels and AI technology.

4. There is a need for greater transparency and accountability in the use of autonomous vessels and AI technology. This can be achieved through the implementation of robust reporting and monitoring systems that allow for the collection and analysis of data related to the operation of autonomous vessels and AI technology. This data can be used to identify trends, assess risk, and inform regulatory decision-making. In addition, increased transparency and accountability will help to build trust among stakeholders and enhance public confidence in the safety and sustainability of these technologies.

5. Greater attention should be paid to the potential ethical implications of autonomous vessels and AI in the maritime industry. This includes issues related to data privacy, algorithmic bias, and the impact of these technologies on employment and labor rights. While these issues are not strictly legal in nature, they are closely related to the legal and regulatory framework governing the use of autonomous vessels and AI technology. To this end, regulators and industry players should work together to develop ethical guidelines for the development and implementation of these technologies.

In conclusion, the legal implications of autonomous vessels and AI in the maritime industry are complex and multifaceted. As a law student, I would suggest that continued research, collaboration, and action are necessary to ensure the safe and sustainable integration of these technologies. By working together to develop effective regulatory frameworks, standard protocols, and ethical guidelines, the maritime industry can unlock the full potential of autonomous vessels and AI technology while safeguarding the legal rights and interests of all stakeholders.