

Bureau Veritas Council Meeting

“CURRENT TRENDS – PORT STATE CONTROL AND QUALITY
SHIPPING”

RADM R. C. North

BONJOUR. MONSIEURS – M. RENARD, M. PIEDELIEVRE,
MY THANKS TO MONSIEUR ANNE FOR THE INVITATION TO
SPEAK AT THIS COUNCIL MEETING. IT IS OFTEN SAID
THAT WASHINGTON, DC IS 36 SQUARE MILES OF
BUREAUCRACY SURROUNDED BY REALITY. . IT IS A
PLEASURE AND HONOR FOR ME TO BE HERE AMONGST
REALITY. I APPRECIATE THE OPPORTUNITY TO TELL YOU
ABOUT OUR PORT STATE CONTROL EFFORTS AND
QUALITY SHIPPING. I’LL BE PROVIDING YOU WITH AN
OVERVIEW OF THE U.S. COAST GUARD’S PORT STATE
CONTROL PROGRAM. INCLUDING:

- HOW WE TARGET HIGH RISK VESSELS
- PROGRAM TRENDS
- INTERNATIONAL PSC DATA SHARING-TRANSPARENCY
- FUTURE PLANS-IMPROVEMENTS

I'LL USE OUR EXPERIENCE AS A WINDOW, SO TO SPEAK, TO LOOK ON SHIPPING QUALITY. FIRST THOUGH, I WANT TO COMMENT ON THE VERY GOOD WORKING RELATIONSHIP BETWEEN THE U.S. COAST GUARD AND THE BUREAU VERITAS.

CURRENTLY, WE RECEIVE YOUR MONTHLY NEWSLETTER, "SAFETY MANAGEMENT" WHICH MY STAFF USES AS A TOOL TO KEEP ABREAST OF SHIPPING SAFETY ISSUES, AND WE HAVE RECEIVED A COPY OF THE INFORMATIONAL "VERISTAR INFO" BROCHURE. WE FIND YOUR WEBSITE TO BE VERY INFORMATIVE. AN APPLICATION OF YOUR E-BUSINESS EFFORTS.

IN ADDITION, BUREAU VERITAS NORTH AMERICA, INC, HAS BEEN CONDUCTING ISM TRAINING FOR MY FIELD STAFF AT MARINE SAFETY OFFICES IN OUR MIAMI AND NOLA DISTRICTS. WE HAVE RECEIVED VALUABLE INSIGHT INTO YOUR ISM AUDITING AND EXPERIENCES. THIS TRAINING HAS BEEN AN EXCELLENT ADDITION TO OUR INSPECTIONS PROGRAM. MY THANKS TO MONSIEUR BOUTTIER FOR HIS CONTINUED EFFORTS.

MOST IMPORTANTLY, WE HAVE DELEGATED THE AUTHORITY TO BUREAU VERITAS TO MEASURE VESSELS AND ISSUE TONNAGE CERTIFICATES ON BEHALF OF THE U.S. COAST GUARD. WE LOOK FORWARD TO EXPLORING OTHER OPPORTUNITIES FOR DELEGATIONS AND ARE ACTIVELY WORKING IN THAT AREA.

OUR SAFETY GOALS ARE THE SAME AND WE VERY MUCH APPRECIATE OUR GROWING RELATIONSHIP.

NOW TO PORT STATE CONTROL.

THE U.S. COAST GUARD IS PURSUING STRATEGIC GOALS IN MARITIME SAFETY, ENVIRONMENTAL PROTECTION, MARITIME MOBILITY AND SECURITY. THE ONE STRATEGY COMMON TO THE ATTAINMENT OF THOSE GOALS IS PORT STATE CONTROL.

95 % OF U. S. FOREIGN TRADE IS CARRIED BY SHIPS AND FOR EVERY U.S. FLAG VESSEL ENGAGED IN FOREIGN TRADE CALLING AT A U.S. PORT, 14 FOREIGN FLAG VESSELS CALL. SO WITH A RATIO OF 14/1 FOREIGN FLAG VESSELS TO U.S. FLAG VESSELS OPERATING IN OUR COASTAL ZONE AND TRANSITING THROUGH OUR WATERWAYS YOU CAN SEE THE IMPORTANCE OF PORT STATE CONTROL TO THE U. S. FUTURE GROWTH WILL WARRANT OUR CONTINUED INTEREST.

IN 1994, THE U.S. COAST GUARD DEVELOPED A RISK-BASED TARGETING SYSTEM FOR THE IMPLEMENTATION OF OUR PORT STATE CONTROL INITIATIVE. IN DEVELOPING THE RISK ASSESSMENT METHODOLOGY, THE COAST GUARD RECOGNIZED THAT OWNERS AND OPERATORS, CLASSIFICATION SOCIETIES, AND FLAG STATES DIRECTLY INFLUENCE THE VESSEL'S OPERATIONAL CONDITION AND COMPLIANCE WITH INTERNATIONAL STANDARDS. SO, WE CONSTRUCTED A FIVE COLUMN TARGETING MATRIX CONSIDERING THE FOLLOWING FACTORS: FLAG, OWNER, AND CLASS, COMBINED WITH THE TYPE OF VESSEL AND THE SPECIFIC VESSEL'S HISTORY.

POINTS MAY BE ASSIGNED IN EACH OF THE FIVE COLUMNS (I.E. OWNER, FLAG, CLASS, HISTORY, AND SHIP TYPE) AND ARE THEN ADDED FOR A TOTAL POINT SCORE. THIS POINT TOTAL DERIVED FROM THE MATRIX ENABLES THE COAST GUARD TO SYSTEMATICALLY DETERMINE THE PROBABLE RISK POSED BY FOREIGN FLAG SHIPS CALLING AT U.S. PORTS AND DETERMINE WHICH SHIPS PORT STATE CONTROL OFFICERS (PSCO'S) SHOULD BOARD ON ANY GIVEN DAY IN ANY GIVEN PORT.

ALTHOUGH WE VISIT EACH VESSEL ANNUALLY, FOR OUR DAILY WORK, WE DON'T NOT EMPLOY A QUOTA TARGET SUCH AS THE PARIS MOU, 25%, BUT ONLY VISIT THOSE VESSELS THAT WE DETERMINE TO BE HIGH RISK.

DATA COLLECTED SINCE 1995 HAVE ALLOWED US TO TARGET CERTAIN OWNERS, FLAG STATES AND CLASSIFICATION SOCIETIES.

TARGETED OWNERS ARE THOSE COMPANIES THAT ARE ASSOCIATED WITH 2 OR MORE DETENTIONS WITHIN THE PREVIOUS TWELVE MONTHS. WE UPDATE THIS LIST OF TARGETED OWNERS AND OPERATORS MONTHLY.

A TARGETED FLAG STATE IS ANY ADMINISTRATION THAT HAS A DETENTION RATIO THAT EXCEEDS THE OVERALL AVERAGE FOR FLAG STATES AND IS ASSOCIATED WITH 2 OR MORE DETENTIONS WITHIN THE PREVIOUS TWELVE MONTHS.

CLASSIFICATION SOCIETIES ARE EVALUATED ON THEIR PERFORMANCE OVER THE PREVIOUS THREE YEARS. THOSE WITH LESS THAN TEN DISTINCT ARRIVALS IN THE PREVIOUS YEAR ARE FILTERED OUT. IF ANY OF THOSE FILTERED OUT HAVE BEEN ASSOCIATED WITH ANY DETENTIONS IN THE PREVIOUS THREE YEARS, THEY RECEIVE PRIORITY 1 STATUS. IF THEY HAVEN'T BEEN ASSOCIATED WITH ANY DETENTIONS IN THE PREVIOUS THREE YEARS, THEY RECEIVE ZERO POINTS.

THOSE CLASS SOCIETIES WITH MORE THAN TEN DISTINCT ARRIVALS ARE THEN EVALUATED ON THEIR PERFORMANCE IN THE U.S. OVER THE PREVIOUS THREE YEARS. THEIR PERFORMANCE IS BASED ON THE RATIO OF CLASS-RELATED DETENTIONS TO THE NUMBER OF DISTINCT VESSELS ARRIVALS AND THIS RATIO IS THEN COMPARED TO THE AVERAGE DETENTION RATIO, AND ASSIGNED POINTS IN THE RISK BASED VESSEL TARGETING MATRIX. THE SCALE GOES FROM ZERO FOR BEING BELOW THE AVERAGE DETENTION RATIO, TO 5 FOR BEING 3 OR 4 TIMES THE AVERAGE RATIO. A CLASS SOCIETY WITH MORE THAN 4 TIMES THE AVERAGE RATIO IS PRIORITY 1.

ACCORDING TO OUR 1999 PORT STATE CONTROL REPORT, WHICH WAS JUST PUBLISHED, BUREAU VERITAS WAS AWARDED ZERO POINTS.

THE ASSESSMENT OF POTENTIAL RISK ASSOCIATED WITH CLASSIFICATION SOCIETIES HAS BEEN RECOGNIZED TO BE EXTREMELY IMPORTANT. THE COAST GUARD USES SEVERAL FILTERING PRINCIPLES TO EVALUATE EACH DETENTION TO DETERMINE WHETHER IT IS CLASS-RELATED OR NOT. THESE INCLUDE LOOKING AT THE TIME BETWEEN THE DETENTION AND THE LAST SURVEY (TYPICALLY WITHIN 3 MONTHS) AND TYPE AND NUMBER OF DEFICIENCIES.

CLASS SOCIETY PERFORMANCE HAS IMPROVED DRAMATICALLY IN THE LAST 3 YEARS. IN 1996, 37% OF ALL DETENTIONS WERE RELATED TO CLASS SOCIETY PERFORMANCE. BY 1999 THAT PERCENTAGE HAD DROPPED TO 15%.

ALL EVALUATIONS TO DETERMINE WHETHER DETENTIONS WILL BE CLASS-RELATED OR NOT ARE CONDUCTED AT THE OFFICE OF COMPLIANCE IN COAST GUARD HEADQUARTERS, WASHINGTON, DC.

IF A DETENTION IS DETERMINED TO BE ASSOCIATED WITH A CLASSIFICATION SOCIETY NON-CONFORMITY, THE CLASSIFICATION SOCIETY IS NOTIFIED OF THEIR ASSOCIATION WITH THE DETENTION, AND ARE GIVEN THE OPPORTUNITY TO SUBMIT AN APPEAL, WITHIN 30 DAYS. IF THEY CHOOSE TO APPEAL, ALL ADDITIONAL INFORMATION PRESENTED BY THE CLASSIFICATION IS REVIEWED AND A FINAL DECISION IS REACHED REGARDING THEIR ASSOCIATION WITH THE DETENTION.

OTHER RECENT PORT STATE CONTROL TRENDS MAY PROVE INTERESTING TO YOU.

THE NUMBER OF DETENTIONS OVERALL IS DECREASING. OUR EFFORTS IN PORT STATE CONTROL HAVE SHOWN SHORT TERM SUCCESSES WHICH WE HOPE WILL BECOME LONG TERM TRENDS.

IN 1998, WE HAD 373 DETENTIONS, A 32% DECLINE IN OVERALL DETENTIONS FROM 1997 FIGURES AND THE FIRST TIME SINCE 1994 THAT IT WAS BELOW 400. RECENT NUMBERS INDICATE THAT THIS DOWNWARD TREND IS CONTINUING. THE NUMBER OF DETENTIONS FOR 1999 IS DOWN 31% FROM THE NUMBER OF DETENTIONS FOR 1998.

BUREAU VERITAS WAS ASSOCIATED WITH APPROXIMATELY 620 DISTINCT ARRIVALS IN 1997, 1998, AND 1998. HOWEVER, THE NUMBER OF CLASS RELATED DETENTIONS FOR BV HAS DROPEED FROM 8 IN 1997, TO 4 IN 1998, TO ONLY 1 IN 1999, WHICH ACCOUNTS FOR YOUR “0” POINTS.

THE DECREASING NUMBER OF DETENTIONS CAN BE CONTRIBUTED TO SEVERAL FACTORS. AMONG THOSE, I BELIEVE THAT THE ISM CODE HAS ALREADY HAD AN EFFECT ON THIS DOWNWARD TREND IN THE PREPARATION TO IMPLEMENT THE CODE. PHASE 1 ISM SHIPS SHOWED A DROP OF 50% IN DETENTIONS FROM 1999-2000, COMPARED TO THE DECLINE IN ALL VESSELS OF 32%.

LET ME TELL YOU ABOUT OUR EXPERIENCE IN ENFORCING THE INTERNATIONAL SAFETY MANUAL CODE. NAVIGATION AND VESSEL INSPECTION CIRCULAR (NVIC) 4-98, OUR GUIDANCE FOR THE ENFORCEMENT OF THE ISM CODE FOR PSC, WAS SIGNED IN MARCH OF 1998 AND IS AVAILABLE ON THE MARINE SAFETY WEBSITE.

AS OF MARCH 1ST, THE US HAS DETAINED 36 VESSELS FOR ISM RELATED DEFICIENCIES, ONLY 8 OF THE DETAINED VESSELS WERE ORDERED OUT OF US WATERS DUE TO A MAJOR NON-CONFORMITY UNDER THE ISM CODE. WHILE ALL 8 VESSELS HELD ISM CERTIFICATION, WE QUESTION HOW THESE VESSELS OBTAINED THEIR INITIAL CERTIFICATION.

THE MOST COMMON PROBLEMS FOUND INCLUDED: THE MASTERS AND CHIEF ENGINEERS WERE TOTALLY UNFAMILIAR WITH THE SAFETY MANAGEMENT SYSTEMS (SMS), INSUFFICIENT MAINTENANCE HAD BEEN PERFORMED ON VITAL SAFETY EQUIPMENT, OR THE SMSS HAD NOT BEEN EFFECTIVELY IMPLEMENTED. A HUMAN ELEMENT PROBLEM.

WE MADE IT CLEAR EARLY ON THAT AFTER 01 JULY '98 – NO ISM CERTIFICATE EQUALED NO ENTRY. WE CONDUCTED A PRE-ISM REPORTING AND BOARDING EFFORT TO DETERMINING WHO WAS COMPLIANT AND 01 JULY '98 WE KNEW THE STATUS OF VESSELS DUE TO ARRIVE.

DESPITE THE PROBLEMS WE HAVE IDENTIFIED, PHASE I OF THE ISM CODE HAVE GONE MORE SMOOTHLY THAN WE ANTICIPATED. WE HOPE THAT VESSEL OPERATORS WILL NOT INTERPRET THE LOW NUMBER OF ISM DETENTIONS AS A SOFTENING OF THE ENFORCEMENT POSTURE. TO THE CONTRARY, EVEN VESSELS THAT HAVE ALREADY ARRIVED IN US PORTS AND HAVE SUCCESSFULLY PASSED PSC EXAMS WILL CONTINUE TO BE BOARDED AND ISM WILL CONTINUE TO BE AN INTEGRAL PART OF THESE BOARDINGS.

AS WE HAVE WITNESSED, ISM CERTIFICATION IS NOT A GUARANTEE OF COMPLIANCE. THOSE VESSELS WHICH HAD DEFICIENCIES IDENTIFIED FROM PREVIOUS BOARDINGS WILL BE PARTICULARLY SCRUTINIZED TO ENSURE THAT THEIR SMS IS CONTINUING TO WORK AS ADVERTISED.

COMING IN THE NEAR FUTURE WILL BE ISM PHASE II IMPLEMENTATION AND I WOULD LIKE TO TALK ABOUT THAT FOR JUST A MINUTE.

LOOKING AHEAD TO THE IMPLEMENTATION OF PHASE II OF ISM, THE COAST GUARD WILL ONCE AGAIN REQUIRE THAT ALL APPLICABLE VESSELS PROVIDE THEIR ISM CODE CERTIFICATE INFORMATION PRIOR TO THEIR ARRIVAL TO U.S. PORTS STARTING ON JANUARY 1, 2002, SIX MONTHS PRIOR TO THE ISM CODE IMPLEMENTATION DEADLINE. THE INFORMATION REQUIRED TO BE PROVIDED WILL INCLUDE THE ISSUE DATES FOR BOTH THE SAFETY MANAGEMENT CERTIFICATE (SMC) AND FOR THE DOCUMENT OF COMPLIANCE (DOC) AS WELL AS THE NAME OF THE FLAG STATE OR THE RECOGNIZED ORGANIZATION WHICH ISSUED THESE CERTIFICATES.

THIS INFORMATION WILL BE ENTERED INTO THE COAST GUARD'S DATABASE IN ORDER FOR OUR COTP'S TO TRACK THE COMPLIANCE OF ISM APPLICABLE VESSELS. CONCURRENTLY, WE PLAN TO AGAIN CONDUCT OUR PRE-COMPLIANCE BOARDINGS DURING THE NORMAL COURSE OF OUR PSC PROGRAM IN ORDER TO VERIFY THE STATUS OF COMPLIANCE WITH THE ISM CODE. VESSELS WHICH ARE NOT YET ISM CERTIFICATED, WILL BE ISSUED LETTERS WHICH ARE SIMPLY INTENDED TO REMIND THE OPERATORS OF THE IMPENDING DEADLINE AND TO REINFORCE OUR ZERO TOLERANCE POSTURE TOWARDS ISM COMPLIANCE.

THESE LETTERS ARE SOLELY INFORMATIONAL AND ARE IN NO WAY PUNITIVE. PHASE II VESSELS WILL NOT BE DETAINED, NOR WILL CIVIL PENALTIES BE ISSUED FOR ISM DEFICIENCIES DURING THIS SIX MONTH PRE-COMPLIANCE PERIOD.

STCW – AN EQUAL CONCERN ON OUR PART – DETENTION RATE SIMILAR TO ISM IN NUMBERS.

TO FURTHER IMPROVE PORT STATE CONTROL INFORMATION ABOUT FLAGS, CLASS AND OWNERS, -TRANSPARENCY- THE COAST GUARD HAS AGREED TO PARTICIPATE IN THE EUROPEAN QUALITY SHIPPING INFORMATION SYSTEM (EQUASIS) EFFORT. AS YOU PROBABLY KNOW, EQUASIS IS A JOINT VENTURE BETWEEN THE EUROPEAN UNION AND FRANCE INITIATED TO PROVIDE A SINGLE SOURCE OF INFORMATION ON THE QUALITY OF COMMERCIAL SHIPPING. THE U.S. COAST GUARD IS A FULL PARTNER NOW ALONG WITH SOME MEMBERS OF THE PARIS AND TOKYO MOU'S.

WHILE THIS INFORMATION WILL LIKELY PROVE TO BE EXTREMELY VALUABLE FOR ALL PSC PROGRAMS, WE WANT TO ENSURE THAT WE MAKE THE BEST USE OF THIS INFORMATION. THEREFORE, IT IS CRITICAL THAT WE DEVELOP WELL THOUGHT OUT POLICY BEFORE WE INTEGRATE THIS EXTERNAL DATA INTO OUR TARGETING MATRIX.

A SPECIAL REPORT ON CLASSIFICATION SOCIETIES IN THE MAY 12, 2000 EDITION OF LLOYD'S LIST MENTIONED THAT IACS BELIEVES THAT GREATER TRANSPARENCY IS A KEY FACTOR IN IMPROVING QUALITY AND IS READY TO PROVIDE AS MUCH HELP AS POSSIBLE TO ENSURE THE EFFECTIVENESS OF THE EQUASIS INITIATIVE. THAT'S WELCOME NEWS.

ROBIN BRADLEY IACS PERMANENT SITS ON THE EDITORIAL BOARD FOR EQUASIS.

THE ARTICLE ALSO HIGHLIGHTED OTHER INITIATIVES THAT MAKE UP THE IACS'S INCREASED EMPHASIS ON SUBSTANDARD SHIPPING. THE INITIATIVES AGREED UPON DURING THE FEBRUARY COUNCIL MEETING WILL CERTAINLY IMPROVE OUR MUTUAL EFFORTS.

MR. BRADLEY ALSO POINTED OUT THAT WHILE THE ERIKA ACCIDENT HAS SERVED TO “REINVIGORATE EFFORTS TO WEED OUT SUBSTANDARD TONNAGE, IT IS IMPORTANT NOT TO FORGET THE GREAT PROGRESS MADE BY CLASS SOCIETIES OVER THE PAST 10 YEARS IN THE DRIVE FOR IMPROVED MARITIME SAFETY.” THIS IS A VERY GOOD POINT AND THE EFFORTS OF THE CLASSIFICATION SOCIETIES HAVE CLEARLY PLAYED A SIGNIFICANT ROLE IN INCREASED SAFETY. THERE IS TRULY INCREASED OPPORTUNITY HERE FOR CLASS AND ADMINISTRATIONS TO WORK MORE CLOSELY TOGETHER.

WHAT DOES THE FUTURE HOLD FOR OUR PSC PROGRAM?

OUR PORT STATE CONTROL PROGRAM HAS BEEN SUCCESSFUL AND WE PLAN TO MAKE SOME CHANGES TO OUR PROGRAM TO STRENGTHEN IT EVEN FURTHER. WE ARE LOOKING TO IMPLEMENT THREE ADDITIONAL MEASURES.

1ST. WE ARE DEVELOPING A PROGRAM TO IDENTIFY AND REWARD FOREIGN FLAG QUALITY SHIPS. WE WILL REDUCE COAST GUARD INSPECTIONS FOR QUALIFYING VESSELS AND WORK WITH OTHER STAKEHOLDERS TO DEVELOP OTHER INCENTIVES. IT WILL BE IMPLEMENTED IN JANUARY OF 2001. WHILE THE EXACT DETAILS HAVE NOT BEEN COMPLETELY FINALIZED, I WILL SHARE WITH YOU SOME OF THE AREAS THAT ARE BEING CONSIDERED. WE WELCOME ANY SUGGESTIONS YOU MIGHT HAVE ON THIS SUBJECT.

WHAT SHIPS WOULD QUALIFY FOR THESE INCENTIVES? HOW DO YOU DEFINE QUALITY?

WE WILL CONSIDER THE PERFORMANCE – BASICALLY LACK OF DETENTIONS OF THE VESSEL OWNER, FLAG, CLASS, AND VESSEL PERFORMANCE HISTORY, AND DEGREE OF TRANSPARENCY OF FLAG STATE PERFORMANCE – FOR EXAMPLE – HAS THE VESSEL’S FLAG STATE SUBMITTED ITS SELF ASSESSMENT FORM TO IMO AND MADE IT AVAILABLE FOR REVIEW BY PORT STATE CONTROL AUTHORITIES?

WE BELIEVE THAT TRANSPARENCY IS AN IMPORTANT PILLAR OF QUALITY SHIPPING, AND INTEND TO REWARD THOSE FLAG STATES THAT COMPLETE THEIR SELF-ASSESSMENT OPENLY WITH THIS INCENTIVE. BASED ON PRELIMINARY RESEARCH, APPROXIMATELY 800 FOREIGN FLAG CARGO VESSELS AND 360 TANK VESSELS WOULD HAVE MET THIS CRITERIA OUT OF THE APPROXIMATELY 7,500 SHIPS WHICH CALLED IN U.S. WATERS LAST YEAR.

THE MOST TANGIBLE BENEFITS TO THE INDUSTRY BY BECOMING ELIGIBLE TO PARTICIPATE IN THIS QUALITY SHIP PROGRAM MIGHT INCLUDE:

- REDUCTION IN THE FREQUENCY OF EXAMS. AS YOU ARE AWARE, ALL FOREIGN FLAG CARGO VESSELS MUST UNDERGO AN ANNUAL PSC EXAM, IRRESPECTIVE OF THE VESSEL'S PERFORMANCE HISTORY. DESIGNATED QUALITY SHIPS VESSELS WOULD RECEIVE BIENNIAL EXAMS INSTEAD WITH THE EXCEPTION OF PASSENGER VESSELS.

A SIMILAR APPROACH WILL BE TAKEN FOR OIL AND CHEMICAL TANKERS. RATHER THAN THE CURRENT ANNUAL TANKSHIP EXAMS, BIENNIAL EXAMS WILL OCCUR WITH A LESS THOROUGH RE-EXAM DONE ON AN ANNUAL BASIS. THIS WILL SAVE APPLICABLE COMPANY'S PRECIOUS TIME AND EFFORT AND WILL LIKewise ALLOW THE COAST GUARD TO FOCUS ITS EFFORTS ON HIGHER RISK VESSELS.

CURRENTLY, PASSENGER VESSELS RECEIVE A CONTROL VERIFICATION EXAMINATION (CVE) LETTER UPON COMPLETION OF THE ANNUAL EXAM WHILE OIL TANKERS RECEIVE A TANK VESSEL EXAMINATION (TVE) LETTER AND GAS & CHEMICAL CARRIERS ARE ISSUED LETTERS OF COMPLIANCE (LOC). A NEW CONSOLIDATED CERTIFICATE OF COMPLIANCE (COC) WOULD REPLACE THESE VARIOUS LETTERS AND WOULD BE ISSUED TO EACH OF THESE VESSELS. THIS WOULD HOPEFULLY ERASE SOME OF THE CONFUSION WE NOW FIND WITHIN THE MARITIME INDUSTRY.

2ND. OUR IMPROVEMENT INVOLVES ADDING CHARTERERS AS A SIXTH COLUMN IN OUR TARGETING. WE ARE STUDYING THE ROLE OF CHARTERERS IN SUBSTANDARD SHIPPING, AND WILL DETERMINE THE FEASIBILITY OF IDENTIFYING CHARTERERS THAT ARE ASSOCIATED WITH MULTIPLE DETENTIONS. IF WE ARE SUCCESSFUL, WE'LL ALSO PUBLISH A LIST OF TARGETED CHARTERERS ASSOCIATED WITH VESSEL DETENTIONS AND ENSURE THAT VESSELS THEY ARE ASSOCIATED WITH ARE BOARDED MORE FREQUENTLY IN THE FUTURE.

3RD. OUR NEW INIATIVE IS CHANGING THE APPROACH WE TAKE IN DETERMINING TARGETED CLASSIFICATION SOCIETIES. CURRENTLY WE USE A THREE-YEAR ROLLING AVERAGE, BUT A WEIGHTED FORMULA IS BEING EVALUATED AS AN OPTION TO MODIFY THE CLASS SOCIETY EVALUATION. THIS METHOD CAN BE EMPLOYED TO IDENTIFY THOSE SOCIETIES THAT PERFORMED SIGNIFICANTLY WORSE THAN AVERAGE, AS OPPOSED TO THE CURRENT SYSTEM THAT IDENTIFIES THOSE SOCIETIES THAT ARE BELOW AVERAGE.

CONCLUSION

THE PSC PROGRAM THROUGHOUT THE WORLD REMAINS VERY DYNAMIC AND WE STRIVE TO KEEP OUR PSC PROGRAM IN STEP WITH THESE CHANGES. RECOGNITION OF QUALITY SHIPPING IS JUST ONE EXAMPLE OF THE OUR EFFORT TO KEEP OUR PSC PROGRAM FLEXIBLE AND RESPONSIVE TO THE MODERN CLIMATE OF INTERNATIONAL SHIPPING. YET, WE MUST CONTINUE TO REMAIN RESOLUTE IN OUR ENFORCEMENT OF THE INTERNATIONAL STANDARDS UPON VESSELS WHICH TRADE IN OUR WATERS.

SO, IN SUMMARY, WE SEE SIGNIFICANT PROGRESS TOWARD IMPROVED QUALITY OF SHIPPING AS INDICATED BY A REDUCTION IN PSC DETENTIONS, BUT ARE STILL NOT SATISFIED WITH THE NUMBER OF VESSELS WE FIND NON-COMPLIANT WITH INTERNATIONAL CONVENTIONS. ALL LINKS IN THE CHAIN OF RESPONSIBILITY MUST DO MORE TO AID IN FURTHER IMPROVEMENTS.

FROM THE PERSPECTIVE OF A PORT STATE WE SEE NUMEROUS OPPORTUNITIES TO IMPROVE COMPLIANCE AND QUALITY SHIPPING.

- INCREASING TRANSPARENCY THROUGH PARTICIPATION IN EQUASIS;
- CREATING INCENTIVES FOR FLAG STATES TO COMPLETE AND SUBMIT SELF ASSESSMENTS AND OTHER INFORMATION TO IMO;
- CONTINUING THE STRONG EMPHASIS ON ISM AND STCW IMPLEMENTATION AND COMPLIANCE;
- CREATING INCENTIVES FOR QUALITY SUCH AS LESS PORT STATE EXAMINATIONS FOR VESSELS DEMONSTRATING QUALITY ALONG THE LINES OF PERFORMANCE AND TRANSPARENCY
- INCLUDING CHARTERERS IN THE PSC RISK ASSESSMENT PROCESS.

THE BUREAU VERITAS AND THE U.S. COAST GUARD HAVE A SUPERIOR WORKING RELATIONSHIP.

IT IS ALSO IMPORTANT FOR US TO CONTINUE THE PARTNERSHIPS THAT WE HAVE BUILT, AND TAKE EVERY OPPORTUNITY TO EXPAND AND STRENGTHEN THEM.

I LOOK FORWARD TO CONTINUING THIS WORKING RELATIONSHIP, DISCUSSING THESE IDEAS WITH YOU, AND FURTHER ADVANCING QUALITY SHIPPING.

THANK YOU.

MERCI BEAUCOUP. I WOULD BE PLEASED TO ANSWER ANY
QUESTIONS.