



FLAGSHIP

NEWS FROM THE LIBERIAN REGISTRY

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LISCR welcomes financial transparency

LISCR welcomes the news that the independent international accounting firm of Deloitte & Touche has been appointed to monitor the way in which Liberian ship registry revenues are allocated for expenditure by the Liberian government. The three-stage process involves the setting up of a management and systems audit, installation of an appropriate accounting system, and a period of monitoring to ensure the system's effectiveness. At the time of printing, the first of the three stages had begun.

The appointment of Deloitte & Touche was made following a ceremony in Monrovia to announce bids from three international accounting firms – Deloitte & Touche, KPMG, and Ernst & Young. Ceremony attendees included representatives of the European Union, the United Nations, the US Embassy in Liberia, the governor of the Central Bank of Liberia and the country's finance minister.

A US State Department spokesman said, "The United States welcomed the decision by the Government of Liberia to hire the internationally respected firm of Deloitte & Touche to audit and monitor revenues from its shipping registry and timber industry as called for in the UN Security Council Resolution 1408 and looks forward to its complete implementation."

The appointment comes in response to a recommendation by the sanctions committee of the UN Security Council for a thorough accounting of the way in which maritime revenues are disbursed by the government of Liberia. Yoram Cohen, ceo of LISCR, says, "We commend the Liberian government for taking this initiative. We will co-operate fully with any requests from Deloitte & Touche in the auditing process."

"LISCR welcomes any move which increases financial transparency in the interests of improved safety. We confidently expect that the appointment of an independent auditor, of international repute, will put an end to any uncertainty about the manner in which Liberian ship registry revenues are being used, and will allow the registry to get on with the job of doing what it does best – running the best managed, most efficient, safest – and now most financially transparent - ship register in the world. This is a major boost for the register, and, most importantly, for all those owners and operators whose ships fly the Liberian flag."

The Board of Directors of the Liberian Shipowners' Council has also applauded the Government of Liberia's decision to engage an independent and approved auditor. Christopher Zukowski, Chairman of the Liberian Shipowners' Council and Vice-President of the Stolt-Nielsen Transportation Group, says, "The announcement of a resolution to the funds-monitoring issue is indeed welcome news for all Liberian-flag shipowners. We will now be able to refocus our efforts on sustaining our reputation for excellent environmental and safety performance, as demonstrated in the latest Port State Control statistics. The reports reveal that the Liberian-flag fleet enjoys the lowest detention ratio of all major open registry fleets and a detention ratio equal to that of several prominent national-flag fleets in both the Paris MoU and the USCG regions".

The 2001 port state control reports issued by the US Coast Guard and the Paris MoU confirm the Liberian registry as the world's highest quality open register. The Paris MoU figures show Liberia as the best performing open registry on the White List, with its detention performance bettered only by a small handful of national flags, all with much smaller fleets. The USCG figures show Liberia as the best performing of the significant open registers. Again, only a small number of national flags with a very much smaller number of ship calls in the US have performed better.

Yoram Cohen says, "These figures, together with recent events, prove that a major open registry can be safer, cleaner and more transparent than many national registries. Liberia is proud to be the standard bearer for responsible flag states."

Liberian Registry at Mare Forum

THE Liberian Registry was a lead sponsor of Mare Forum 2002, which drew an impressive range of top-level delegates to Athens in September to listen to and participate in a debate on "Flag State Quality and Regulatory Governance". Mare Forum Chairman Michael Grey, in his summary of what he describes as a "good-natured and free-speaking meeting", said, "There is broad agreement that the efficiency and regulatory governance exhibited by a flag state can be influential in determining the quality of ships which fly the colours..." You can read his comments in full on the Mare Forum website. Go to:

www.mareforum.com/flag_chairman's_summary.htm



Industry hails Liberia's lead on air pollution control

LIBERIA has become the first major flag state to ratify Annex VI to Marpol, paving the way for a global regime for the control of air pollution from ships. Shipowners have welcomed the move, which will help IMO to implement global regulations on control of sulphur dioxide, nitrous oxides and ozone-depleting gas emissions from ships, abating the threat of unilateral regional action by the US and EU authorities.

Yoram Cohen, ceo of LISCR, says, "Responsible flag states have a duty to show leadership and encourage international uniformity of regulation. We are proud that, as the largest high-quality ship registry, Liberia has taken a lead in air pollution control initiatives helping to move international regulation back to where it belongs, with IMO and flag states, rather than abdicating responsibility to a regional patchwork of port states acting unilaterally."

Liberia's ratification of Annex VI is important for shipowners around the globe, as the difficulties of unilateral regulatory initiatives cannot be understated. Joseph E Ludwiczak, general secretary of the Liberian Shipowners Council, says, "The LSC welcomes Liberia's ratification of Annex VI, not only because it will substantially reduce global marine air emissions, but also because it does so via a single international instrument rather than a plethora of varying unilateral or regional regulations, which would impede both compliance and enforcement."

Chris Horrocks, secretary-general of the International Chamber of Shipping, says, "We welcome this step, and urge other flag states to follow the example of Liberia as soon as possible."

Dr Peter Swift, managing director of Intertanko, says, "We very much welcome this news, which is a significant



Peter Swift, managing director of Intertanko – "... responsible approach."

step forward for this most important piece of international legislation, and Liberia is to be congratulated for again demonstrating its responsible approach to such matters."

Roger Holt, secretary-general of Intercargo, says, "Intercargo applauds the Liberian Register in its decision to

ratify MARPOL Annex VI on air pollution from ships and would like to encourage other flag state nations to follow suit so that the convention can be brought into force as soon as possible."

The shipping industry has been calling for the immediate ratification of Annex VI in order to fend off unilateral controls on air pollution threatened by the US and the EU. In order to enter into force, fifteen states with fifty per cent of the world fleet must ratify the annex. Liberia is the first major flag state to ratify, bringing the total sharply up to six states, with 26 per cent of the world fleet. "We hope and expect that other quality registries will follow our lead," says Yoram Cohen. "IMO and shipowners should get support from flag states."

Full details of Annex VI to Marpol can be found at www.imo.org



Recent welcome additions to the Liberian-flag fleet include the 46,764 dwt chemical/oil products tanker "Tarantella". The Tarantella is the first vessel to be built to comply with DNV's class notation "PLUS-2". The PLUS-2 notation gives a longer hull life and is designed for a service life of 40 years in harsh environments like the North Atlantic and the North Pacific. Tarantella and others in the PLUS-2 class have been reinforced with additional steel along the bottom and side structures and have optimized construction details. Tarantella has several special features like medium-speed main engines, controllable pitch propeller, Becker rudder, nitrogen inert gas system and electrical deep well cargo pumps. Tarantella was built for Anglo-Atlantic Steamship Co Ltd with Laurin Maritime as agents at the Hrvatska Brodogradnja yard in Croatia, and was delivered in September 2002.



Registering support

This article, by LISCR CEO Yoram Cohen, was published by Lloyd's List as one of a series of observations by industry leaders on the maritime industry twelve months on from September 11

BENJAMIN Franklin said that those who give up essential liberty to obtain a little temporary safety deserve neither liberty nor safety. His observation stands the test of time. But shipping must take care that there is not a price of a different sort to be paid for improved security.

One year on from the terrorist attacks on the United States, security is a bigger issue in commercial shipping than at any time in recent history. And, as a result of September 11, some of the energy which ideally would have been channeled into improving and maintaining everyday operational safety must have been diverted into protecting shipping from exploitation by terrorists. But, handled properly, there is no reason why we should not have both safety at sea and security from attack. The world has changed, and shipping must be alert to the potential threat posed by terrorism. IMO has taken the lead, and it is incumbent on the industry to support this.

So where do shipping registers figure in all this? Open registers have been criticized for the supposed lack of a genuine link between the flag and the controlling mind of the vessel. They have been accused of putting obstacles in the way of transparency. But blanket criticism of this nature achieves nothing, and may even undermine security.

Statistics show that the United States depends on open registry vessels for its international trade. Ships entering US waters pose a potential threat to national security. The US Coast Guard has identified the critical areas of concern – the identity of the crew, who has control of the ship, who can communicate effectively with the ship, who knows where the ship has been, and who knows how the ship functions. Responsible ship registers will give the Coast Guard real-time access to this information, and help complete a vital link in the security chain. In this way, they act as a powerful force for good in matters of security as well as commercial expediency.

The Liberian Registry has pledged its full support to US Congress to improve security for ships visiting US ports. It has also identified security measures, which it has already implemented, including a digitized database of seafarers and seafarer qualifications, and a comprehensive security manual for ship operators. This has been made available to IMO. LISCR stands ready to help the Coast Guard or other US agencies in any way it can, and has shown that the Liberian registry can make a very positive contribution to national security. There has never been a time when that contribution has been more important. We cannot change the past. Shipping must never give in to terrorism, or else it stands to concede the

liberty that Benjamin Franklin championed and which has always been such a signal feature of the industry. But it must make itself as secure as possible against the threat of terrorism, and it must help governments do the same. Responsible ship registers have a vital role to play in that. Ultimately, shipping will get the security it deserves. That goes for ship registries too.

Pointing the finger on biometric verification



THE Liberian Registry has offered a further lead to the maritime industry in the fight to improve maritime security and to identify and prevent fraudulent practice by introducing a biometric verification feature to its seafarer certification process.

The Liberian Registry is already a world leader in terms of the electronic database it maintains on many thousands of multinational seafarers who form a significant part of the total maritime workforce afloat. Now, joining forces with identification and smartcard industry leaders, and using the new standards adopted by the International Civil Aviation Organisation for passport identity, it is applying the very latest technology to bring a new dimension to the seafarer identification process.

LISCR has opted for the fingerprint as the basis of the biometric feature and matching smartcard technology. This does not mean that the technology will capture actual fingerprints. Rather, the system creates a unique template which is used for comparison. In this way, seafarers' human rights are not violated, but their interests – and those of the whole maritime community – are protected.

Easy payments

THE corporate department is pleased to announce that, effective immediately, invoices may be paid using Visa, Mastercard and now American Express. Further, we now offer payment of corporate invoices in a wide selection of local currencies. This feature will soon be available for maritime invoices as well.

Please visit www.lisrcr.com



Contacts

For assistance with all matters related to ship or corporate registration in Liberia, please contact any of these offices:

HEADQUARTERS

Virginia, USA

Tel: +1 703 790 3434

Fax: +1 703 790 5655

Yoram Cohen, CEO

ycohen@liscr.com

Scott Bergeron, COO Maritime Services

sbergeron@liscr.com

Jill Keohane, Senior Vice-President Corporate

jkeohane@liscr.com

New York, USA

Tel: +1 212 697 3434

Fax: +1 212 697 5655

Brad Berman, General Counsel

bberman@liscr.com

Jerry Smith, Maritime Advisor

jsmith@liscr.com

Hong Kong

Tel: +852 28101068

Fax: +852 28100023

William Wu, Executive VP

wliscrfe@liscr.com.hk

London, UK

Tel: +44 207 799 3434

Fax: +44 207 799 3456

Helen Gurr, General Manager

hlgurr@breathemail.net

Piraeus, Greece

Tel: +30 1 452 9670

Fax: +30 1 452 9673

Evangelos Carras, General Manager

ecarras@otenet.gr

Monrovia, Liberia

Tel: +231 227 721

Fax: +231 226 477

Joseph Keller, VP and General Manager

Taipei, Taiwan (Representative Office)

Tel: +886 227 671161

Fax: +886 227 695725

Tuan Hseng

Zurich, Switzerland

Tel: +41 1 250 8650

Fax: +41 1 250 8655

Catherine Dreyer, General Manager

cdreyer@liscr.ch.com

Tokyo, Japan

Tel: +81 33 553 4646

Fax: +81 33 555 9159

Captain Takashi Yoshiyama

tyoshiyama@mx2.alpha.web.ne.jp

Editorial consultants

Merlin Corporate Communications

On the register

'SYLVETTA' is an unusual name. And Sylvetta Valentine brings unusual talents and dedication to her work at LISCOR headquarters in Virginia, work which would defeat anybody with less specialist knowledge, patience and sense of humour. But she enjoys her job; in fact, she says she "loves it".



Sylvetta has been working for the Liberian Registry for fifteen years. Before that, she was employed in banking, but she found that boring. These days, her job is anything but boring.

Sylvetta manages the corporate department at LISCOR. Her day is committed to the LISCOR promise of 'same day service', from the constant monitoring of incoming client requests, through the supervision of her colleagues, to the moment documents go out of the door to the courier for despatch to the client.

Most of her day is spent in contact with clients from all over the world - Europe in the morning, USA in the afternoon and the Far East at the beginning and end of the day, giving advice and solving problems, from corporate accounts outstanding to complex issues of reinstatement, merger and re-domiciliation. She has an unrivalled experience of the corporate registry and has developed a body of knowledge which has helped out more than one client. Sylvetta's calm and sympathetic manner is much appreciated by clients.

Her role at LISCOR provides Sylvetta with a lot of job satisfaction. But she wants more. She is considering going back to school to do a BA in either business administration or management. "I want to get some more education," she says. "I take pride in my work, and I figure that, if you're in this business, you need to be able to do the very best you can. And I think going back to school part-time will help me do that."

Sylvetta drives into the office each day from her home in Sterling, Virginia, a distance of eleven miles. She has a grown-up daughter, and likes to spend her spare time reading, socialising, and generally enjoying life. She used to play sports, but these days prefers to watch them on TV.

Sylvetta was named after her father, Sylvester. Nice name. She doesn't know any other Sylvettas. No surprise there.

