



FLAGSHIP

NEWS FROM THE LIBERIAN REGISTRY

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EC does it on shipping safety

THERE are three imperatives in shipping today – safety, safety and safety. The rest is detail. Shipowners must find a way to make sufficient profit to satisfy their shareholders, while meeting the increasingly stringent demands of industry and government legislation. Furthermore, they must be obvious in doing so.

But if transparency is the new safety in shipping, then Europe is the new United States. Shipowners are worried about news of legislation under development in Europe, where bureaucrats have been bearded by environmental, political and pure safety lobbyists in a Brussels den that is readying itself to meet the demands of a still larger constituency while keeping at least one eye on what the US is doing in the way of shipping legislation.

Part of that worry is an understandable concern, but a bigger part still is the product of misinformation, misreporting and pure mischief-making. Here are the facts.

Prompted by concern over perceived weaknesses in the present system governing the seaborne oil trade, the EC has submitted proposals to the European Parliament on maritime safety. These cover, among other things, increased transparency, surveillance of navigation, and liability. More importantly, they cover immediate legislative measures.

The immediate legislative measures embrace proposals for European Parliament directives on port state control, classification societies, and the phasing-in of double-hull tankers. These proposals will mean a ban on single-hull oil tankers, according to a timetable similar to that applied by the United States. Also, they will result in the stricter monitoring of classification societies, with the EC reserving the right to suspend or withdraw class recognition and to hold class fully liable in the event of negligence. More stringent transfer of class procedures is also called for.

With regard to port state control, the proposals will mean more rigorous inspection of ships using EC ports, which will be reflected in tougher measures against ships that are manifestly substandard. They involve a proposed ban from all EC ports of ships older than fifteen years and which have been detained more than twice in the course of the two preceding years. Port state control will be targeting vessels on the basis of a blacklist of flags

with an above-average number of detentions. The EC will publish a list of banned ships every six months. The proposals will also mean more inspections, a greater exchange of information and ideas, and increased transparency.

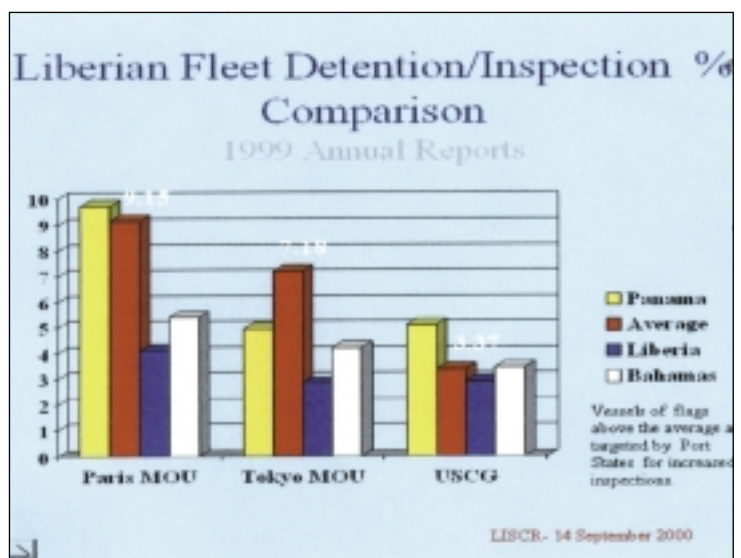
Is there anything here for shipowners to be afraid of? Owners and operators may curse the need for more regulations, but port state control policing expanded because of the failure of some operators and some flag states to comply with IMO safety regulations. The whole industry is now paying for the sloth and negligence that led to that lack of compliance.

The EC deplores “the widespread recourse to flags of convenience”, but then admits that most European-owned vessels are so flagged. It is disappointing that the EC does not distinguish between so-called flags of convenience and good, responsible open registers which, in many cases and on many levels, out-perform traditional registers.

Fortunately, good, responsible shipowners are able to make that distinction. And good, responsible shipowners should not fear legislation emanating from Brussels. At the very least, they will want to ensure that their ships are operating under a registry like Liberia – which doesn’t appear on any list – black or grey – that will attract the undue attention of regulators.

Liberia is on the white list. It is committed to staying there.

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Liberia committed to Qualship 21 objectives

THE US Coast Guard's recently announced Qualship 21 programme is intended to reward "high quality" ships by reducing the frequency of port state control inspections performed by the Coast Guard.

Criteria for determining vessel eligibility involve a number of prerequisites:-

1. A non US-flagged ship.
2. No standard detention in the US within the previous 36 months.
3. No marine violations or serious marine casualties, and no more than one US "ticket" within the previous 36 months.
4. Not owned or operated by any company that has been associated with any PSC detention in US waters within the previous 24 months.
5. Not classed by, or have statutory certificates issued by, a targeted class society (that has points assigned in the US Port State Control Matrix).

6. Not registered with a flag that has a detention ratio which is more than one third of the overall US detention ratio: vessel's flag must have more than ten arrivals within the previous three years.
7. Flag must have submitted the IMO Flag State Self-Assessment Form, with copy to the US Coast Guard.

Incentives "of Qualship 21" include:-

1. Qualship 21 certificate.
2. Vessel named on US Port State Control website.
3. For tankers, certificate of compliance valid for two years.
4. Less thorough mid-period exam replacing annual tank vessel exam.
5. Increased flexibility for tanker owners with two-year certificates.
6. Freight ships receive limited port state control overseeing.
7. Passenger ships receive the same examinations, a Qualship 21 Certificate, and recognition on the website.
8. Possible future initiatives for reduced port charges.
9. Additional quality standards involving MARPOL VI (air emissions) may be eligible for reduced port charges.

As a quality registry, Liberia meets all these criteria except for a detention ratio in 2000 of approximately 1.97 per cent, based on the three-year rolling average, compared to the average for all flags of 3.54 per cent. There is a built-in bias in the Qualship 21 process toward smaller flags due to the statistical anomalies involved and, in order for Liberian-flag ships to become eligible – all other requirements having been met – we would need a detention rate of 1.18 per cent or less, i.e., one-third of 3.54 per cent.

For year 2000 – which is still being reviewed based on the number of vessel arrivals – the Liberian detention ratio is 0.77 per cent (eight detentions) based on a recorded 1,040 distinct vessel arrivals. This is a considerable improvement over previous years. The 2000 detention rate for all flags is 2.50 per cent.

Our rate of improvement over recent years has been nothing short of outstanding. As a large, responsible open registry we are proud of our record. With the support of all our quality owners and operators, we are committed to achieving Qualship 21 eligibility, using our new state-of-the-art online inspection technology, to help demonstrate the high quality of Liberian Registry ships.

LISCR is very excited about the possibilities that technology brings. We look forward to the support of all our owners in developing enhanced inspection tools.

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Rex Harrington joins LISCR



REX HARRINGTON has joined LISCR as a Director and Executive Vice-President. He will use his extensive experience of international ship finance and his numerous contacts within the shipping industry to provide LISCR with strategic direction and to assist in marketing the flag.

Yoram Cohen, LISCR's Chief Executive, says, "Rex's vast experience in the industry will be of enormous benefit to LISCR in delivering the high standards and quality that shipowners expect from their flag of choice and we are delighted that he has joined us."

Rex Harrington is a former director of the Royal Bank of Scotland responsible for shipping finance. He is currently the bank's shipping adviser and serves as a deputy chairman of the International Maritime Industries Forum. He is a director of Royal Olympic Cruise Lines, Eurofin International, General Maritime Corporation, the International Chamber of Commerce – Commercial Crime Services, and is on the General Committee of Lloyd's Register of Shipping.



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LISCR celebrates successful first year



Benoni Urey, Commissioner of the Bureau of Maritime Affairs (right) and LISCR chief executive Yoram Cohen (left) are pictured here with Linda Kassem Fawaz, LISCR marketing executive.

IT is now a little over a year since LISCR assumed responsibility for the management of the Liberian Registry. And it has been a very successful first twelve months, at the end of which we can report that owners and operators are very happy with the level of service and expertise that LISCR provides.

Benoni Urey, Commissioner of the Bureau of Maritime Affairs, has also confirmed that, "The Liberian government is pleased with the transition of the Liberian Registry and with LISCR management."

Our fleet and tonnage figures continue to grow, confirming Liberia's position as the second largest registry in the world. LISCR has also made a number of key appointments of experienced personnel in strategic locations.

With LISCR's global infrastructure now in place, attention will turn to providing a range of services to improve still further the quality of the registry. LISCR is committed to stamping out fraudulent crew documentation, by using hi-tech hardware and software that will make it even more difficult to duplicate Liberian documents. Sophisticated computer applications will also enable a worldwide network of registered agents to complete, file and maintain electronic records of all applications for seafarer documentation.

In addition, the registry is actively building closer links with maritime colleges and flag administrations that issue certificates. These programmes will both combat fraud and speed up the documentary process, while reducing administration costs.

In another move which underlines our commitment to quality, the register is also well-advanced with plans to digitise its annual inspection and survey procedures. The system will have the potential to interface with systems used by the classification societies.

Yoram Cohen, chief executive of LISCR, says, "Everybody involved with the running of the Liberian Registry has reason to be proud of our achievements to date. But we will not rest on our laurels. By continuing to improve

competence and excellence in strategic quality areas, we aim to win back some of the genuine authority which flag states have relinquished over the years. Proven open registries, dedicated to quality and transparency, like Liberia, should be more than ready to assume their rightful responsibilities, to the benefit of everybody in the industry."

Greek owners boost for Liberian Registry

MAJOR Greek shipowners have chosen the Liberian Registry for a number of important newbuildings. European Navigation has committed five tanker newbuildings, and Metrostar has put six tankers onto the registry. Chandris-backed Celebrity Cruises chose the Liberian flag for its newbuilding cruiseship *Millennium* and the soon-to-be delivered *Infinity*.

Brad Berman, LISCR general counsel/ executive vice-president, says, "The choice of the Liberian flag by these significant owners demonstrates the confidence they have in the registry's ability to deliver the highest quality service and the highest standards of any registry. We are working closely with the Greek shipping community to offer them further benefits, as we modernize and streamline our procedures."

New London office

THE Liberian International Ship & Corporate Registry (LISCR) has appointed a new general manager for its UK office in London.

Helen Gurr has joined LISCR from London solicitor Field & Co. Helen spent five years at sea, as a deck cadet/third officer with Canadian Pacific Steam Ships Ltd, from 1980 to 1984. She subsequently worked for London solicitor Berwin Leighton, before joining the Barbados Ship Registry, where she spent two years as Registrar of Ships before joining Field & Co.

LISCR's London office was set up in October 1999 to facilitate the smooth transition of day-to-day operations in Europe. Starting early in 2001, shipowners will be able to record Liberian mortgages in London, thereby expanding Liberia's strengths in Europe. LISCR's London office can be contacted on: Tel: +44 207 799 3434 Fax: +44 207 799 3456 E-mail: liscr@breathemail.net



Athens-based Metrostar Management is one of a number of Greek owners who have recently registered ships with Liberia. Its 1991-built, 96,648 dwt "Crude Princess" is pictured here in Liberian livery.



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On the register



OWNERS in the Far East have traditionally been strong supporters of the Liberian registry. And LISCR, with owners in Japan, China, Taiwan, Hong Kong and Singapore, has made its own commitment to the region in the shape of its Hong Kong office.

William Wu, Executive Vice-President, is in charge of the Hong Kong operation. The main day-to-day work of the office on the maritime side includes ship and documentation registration, the processing of seamen's books and license applications, the issuing of temporary officer licenses, arranging ship safety inspections and supervising the activities of ship inspectors, and overseeing examination candidates. The office also deals with a variety of corporate functions.

William spent nine years at sea on various types of vessels, and worked for two years as a chief engineer. He graduated in marine engineering from the Hong Kong Technical College and obtained a Masters in maritime management from Maine Maritime in the US. He understands the shipping industry, and he understands the needs of shipowners. "It is important to have a presence in those parts of the world where you have a significant client base," he says. "The Far East is widely recognized as an area of strategic and growing importance in the international shipping industry. Owners in the region have shown their loyalty to the Liberian Registry and LISCR has responded by maintaining a dedicated office to meet their needs on a time-critical basis."

As a Deputy Commissioner of the Liberian Registry, William has authority for a wide variety of legislative and certification work. He also enjoys responsibility for a wife and two daughters, one of whom is currently studying accountancy and finance at university, while the other is going through high school.

In his leisure time, William enjoys singing Cantonese opera. His other hobbies include Chinese calligraphy and playing tennis.

Writing and service, then. Very appropriate.

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