



FLAGSHIP

NEWS FROM THE LIBERIAN REGISTRY

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Flying the quality flag

IT was Groucho Marx, another quality performer, who said, "I wouldn't want to be a member of any club which would have me as a member." He wasn't talking about the proposed Network of Quality Registers. But here are the questions to ask. Is there any value in a club of ship registers? And how should owners choose a ship register?

"Trade associations which try to set standards often end up setting the lowest common denominator," says Yoram Cohen, CEO of LISCR. "Setting up a network of registers where the only entry criteria is enforcement of IMO conventions, or ticking off a list of services, doesn't help owners; nor does trying to introduce an academic system for rating flags. We would rather such a network grew naturally, through cooperation between registers which share the common goal of improving safety and improving seafarers' welfare. In that way the quality standard is always driven upwards."

Shipowners can rate registers on their own experience of service and quality. They can look at the ratings tables that port state control authorities provide. More commercially relevant, they can look at how oil majors rate the flag in their matrices. "Owners seeking quality look for it across the board," says Cohen. "So when quality owners look for a register, they assess the detention record of the flag. That way they get a sense of how well the registry does its job, and who they will be sharing the flag with. If they run tankers, they look for a flag the oil majors feel comfortable with. They look for tried and tested legal systems which underpin their financing. They look for service, and added

value. And they look for a registry which is managed by people who share their commitment to quality. We are very comfortable with all of that."

So where else can an owner look for meaningful information on ship registers? "Owners can look at the White List which the European Paris MOU on Port State Control has just published," says Yoram Cohen. "That is based on inspections of actual ships, not of pieces of paper. The inspections take into account employment conditions on the ship, and the ships themselves. And they show Liberia right up there high on the White List."

So will the Liberian Registry be pushing for a network of quality registers? "We will be pushing for ever higher quality, and we would like to work with anyone who can keep up with that programme," says Cohen. "But we don't need a flag club which lets members in if they can tick off a few boxes, and neither do shipowners."

Quality tonnage boost for Liberian Registry

FIFTY newbuildings have been committed to the Liberian Registry since January 1, 2001. In total, 134 new ships had joined the Registry by August this year. Thirty-three of these were tankers, eight were cruise ships, and fifty-two were containerships. Significant numbers are under German, Greek, Hong Kong, Norwegian, USA, Cypriot, UK and Japanese management. The new tonnage, all from well-known, high-quality owners, lowers the average age of the fleet and confirms its position as the world's leading high-quality registry.



Marketing the Liberian flag

This issue of *Flagship*, the quarterly magazine of the Liberian Registry, coincides with a full year on the road marketing the registry. LISCR's marketing executive Linda Fawaz has been travelling with LISCR ceo Yoram Cohen and other executives promoting Liberia and its



registry. *Flagship* asked Ms. Fawaz how she would describe her first year with LISCR and her experience 'on the road'.

"Working at LISCR has been very interesting for me over the past year," she says. "My tri-lingual skills were useful. From familiar customs and places in Europe to relatively new experiences in Asia, I found ship owners

the world over preoccupied with the same concerns and sharing much the same approach. Shipowners in Hong Kong are no different when it comes to the economics of shipping than their counterparts in Europe.

"We started our marketing programme during the fall of 2000 when the marketing team visited five European countries, promoting the registry and the LISCR Seaman Electronic Application (SEA System). This system is designed to facilitate the speed and reduce the cost of seamen documentation. We met hundreds of shipowners and maritime industry executives and told them about the Liberian Registry tax payment objectives while getting to know their concerns and needs. I was educated in Switzerland, so it was like being at home in Europe — the customs, people and the way business is done. European shipowners' experience of the Liberian Registry has been well tested over fifty-two years. All of the owners and managers we encountered valued the services of LISCR. In fact one owner went as far as to say that there was no comparison between the services provided by LISCR and those offered by his country's second ship registry; the bureaucracy of the first registry had been carried over to second registry.

"The Far East was a challenging experience. From Japan to China, and of course the island of Taiwan, I observed professional people dedicated to their work, knowing that they have a massive market to serve. The population of China and South China Sea States is two and a half times the size of America and Europe put together.

"The headquarters of COSCO, China's largest shipping company, was most impressive. Counting its domestic shipping fleet, COSCO is in fact the largest shipping company in the world. The importance to that company of using open registries is evident by the number of ships registered in major open registry countries. The enormous human resources of China provide and create great potential for the recruitment of seafarers. With hard working people, well-established trading corporations and a large regional market place, it is clear to me that this region of the world is of major significance to LISCR's future.

"For the future, LISCR's marketing team will focus again, during the fall, on Europe, and on Asia in the early spring. It looks like another exciting year, providing that blend of excellence, efficiency, safety-consciousness and competitiveness with which the Liberian Registry has become synonymous. I am looking forward to it and to seeing LISCR and the Liberian registry make an even bigger impact in the quality maritime world."

Monrovia office



LISCR is a US-registered and US-based corporation but, in addition to its presence in the United States, it has offices in strategic centres around the world, including Hong Kong, London, Piraeus, Taiwan, Zurich and Tokyo. LISCR also has a corporate office in Monrovia, Liberia (*above*).

The Bureau of Maritime Affairs joins with the government of the Republic of Liberia in expressing its profound regret and sympathy to the people of the United States and of all those nations whose citizens were killed or injured by the tragic events of September 11.

LISCR offers any practical assistance it can provide to any of the many clients formerly located in the World Trade Centre.



US State Department backs Liberian Registry

OVER the next few months you may hear unwarranted criticism being made of the Liberian Registry on three distinct issues — UN-backed international sanctions on the government of Liberia, an ITF campaign against the Liberian Registry, and a lawsuit against LISCR initiated by the former registry managers, IRI.

Here are the facts. The United Nations has imposed specific sanctions on the government of Liberia. These do not affect the maritime programme.

LISCR has given evidence to the panel and has had extensive meetings with the US State Department. US officials gave LISCR two key assurances. Firstly, no change is contemplated by the US government to the current sanctions regime. Secondly, nothing would be done which would impact on the operation of the registry or ships flying the Liberian flag. The

US government views LISCR as a US commercial interest, and is so concerned about erroneous reports of its policy that it has given LISCR a direct line to the State Department desk officer dealing with Liberian issues.

The ITF campaign is a continuation of its long-running and ineffective crusade against the open register system in general. The ITF sees the UN sanctions on the Liberian government as an opportunity to attack the most successful open register, and hopes that by doing so it will weaken the entire system. It has launched a publicity-led political campaign intended to embarrass owners using the Liberian Registry by linking the ship register to alleged human rights abuses. However, LISCR has been assured directly by the leadership of the ITF that there will be no industrial action and no interference whatsoever with the operation of Liberian-flag ships.

Finally, the lawsuit. This is a commercial dispute over issues concerning the transfer of the management contract from IRI to LISCR. LISCR considers that, to a

large extent, it is motivated by a desire to create bad publicity for LISCR. It will not in any way affect the running of LISCR.

LISCR assures owners that there will be no interference with the operation of Liberian-flag ships, and no change to the high level of service owners expect from LISCR. Liberia will continue to be the world's leading quality open register.

Advisory board to guide LISCR

Liberian International Ship & Corporate Registry (LISCR), which manages the Liberian Registry, has announced the appointment of an advisory board composed of prominent shipping figures.

Rex Harrington, General Maritime Corporation, will chair the LISCR Board. Other members of the board include Yukio Aso, Sanko Steamship; Ulf Bertheau, of Cyrus Makowski; Harry Gilbert, Wallem Group; Huang Shao Jie, Hong Kong Ming Wah Shipping; David C.H. Liu, Yang Ming; and Robert D. Somerville, American Bureau of Shipping.

Yoram Cohen, ceo of LISCR, says, "Our board members will set the agenda for us, but one issue we will all be focusing on is seafarers' welfare. The Liberian Registry is already a leader in combating fraud and ensuring proper treatment for crews. We will be looking for ways to take other registries along the same route."

Harrington says, "We are all people used to speaking out, and we shall not be waiting for LISCR to ask us to look at ideas. We want to help drive LISCR to ever higher standards."



The "Sedco 700," which flies the Liberian flag, is a semi-submersible drilling unit capable of operating in harsh environments and water depths of up to 3,600 feet. Built at the Levingston Shipyard in Texas, it is classed by ABS and has accommodation on board for 120 people.



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On the register

The talent and experience of the personnel of LISCR is the key to the delivery of excellent service to the users of the Liberian Registry.

Jill Keohane, Chief Corporate Attorney, Senior Vice President of LISCR, is no exception to this policy.

With years of practical international experience in the private and public sectors, Jill's knowledge is unique, particularly in the offshore corporate arena.

A UK-educated lawyer (an LLB and MSc from the London School of Economics), Jill began her professional career as a Senior Lecturer in Law. She was then appointed as the youngest National Officer of a UK Public Sector Trade Union. She broadened her experience with a period as a Research Assistant involved with the drafting of legislation — and as a senior legal consultant with a management consultancy firm preparing and publishing analyses of executive remuneration, taxation and social benefits policies in Western Europe — as well as carrying out various consultancy projects for international agencies.

Before joining LISCR in 1999, Jill was based in Gibraltar, having completed a decade as legal adviser to the Chief Minister, during which time, amongst other things, she drafted open registry laws for the Territory.

Jill's accumulated knowledge and the experience gained from interaction with national and international civil servants, private banking interests and corporate service providers — plus her professional commitment to confidentiality — are great assets to LISCR's corporate clients.

She is excited about the challenge of leading the great team of corporate staff that run the world's best-known offshore corporate register. Although her primary responsibility is for corporate affairs she also enjoys the opportunity to contribute to resolving some of the complex issues facing the register.

Now residing in Washington, DC, Jill is adjusting to and enjoying America with her two sons.

