

A QUALITY FLAG'S VALUE: MANAGING COMPLIANCE AND PREPARING FOR SCRUTINY

The Marshall Islands Registry Lunch Seminar

Hong Kong

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Presented by:

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AGENDA

- Republic of the Marshall Islands (RMI) Fleet and Statistical Overview
 - Fleet Size
 - Regionalization
 - Goals
- Compliance: Resiliency
 - Detention Statistics and Photos
 - Compliance Measures
- Safety and Security Net
 - What or Who is Driving Performance?
 - How to Adapt in A Tough Regulatory Environment?
 - Flag's Value
- RMI Innovation Team
 - Measures
 - Results

FLEET TYPES

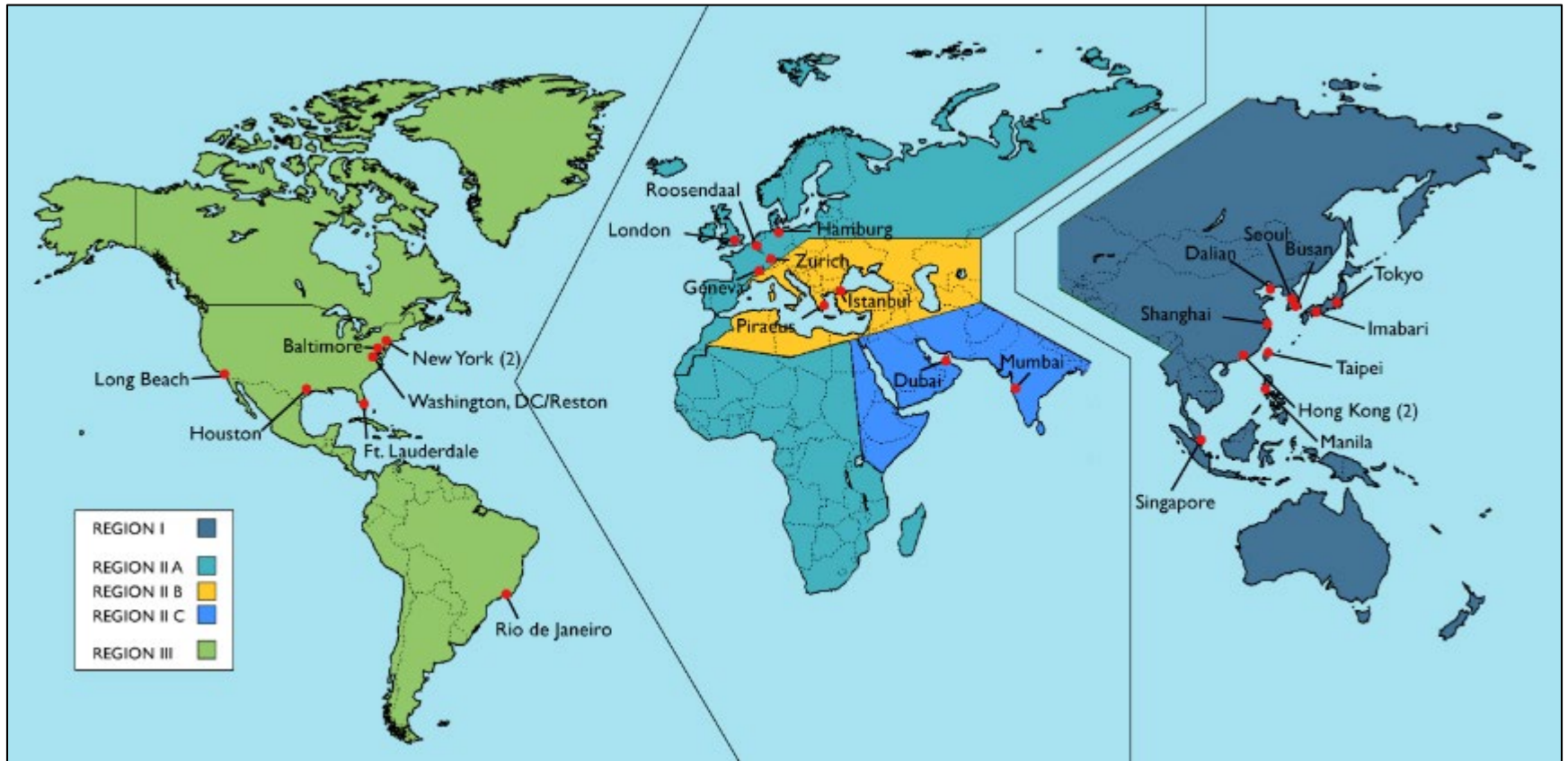
VESSEL TYPE	NO. of VESSELS	% of FLEET	GROSS TONS	% of FLEET GROSS TONS
BULK CARRIER	1,502	34%	62,929,905	39%
CONTAINER	348	8%	18,495,620	11%
GAS CARRIER	192	4%	13,525,772	8%
GENERAL CARGO	160	4%	5,107,279	3%
MISCELLANEOUS	74	2%	422,755	0.26%
MOU	176	4%	7,631,691	5%
OSV	256	6%	480,912	0.30%
PASSENGER	14	0.31%	425,875	0.26%
TANKER	1,169	26%	53,141,512	33%
YACHT	561	13%	166,979	0.10%
TOTAL FLEET	4,452		162,328,300	

As of 31 October 2018

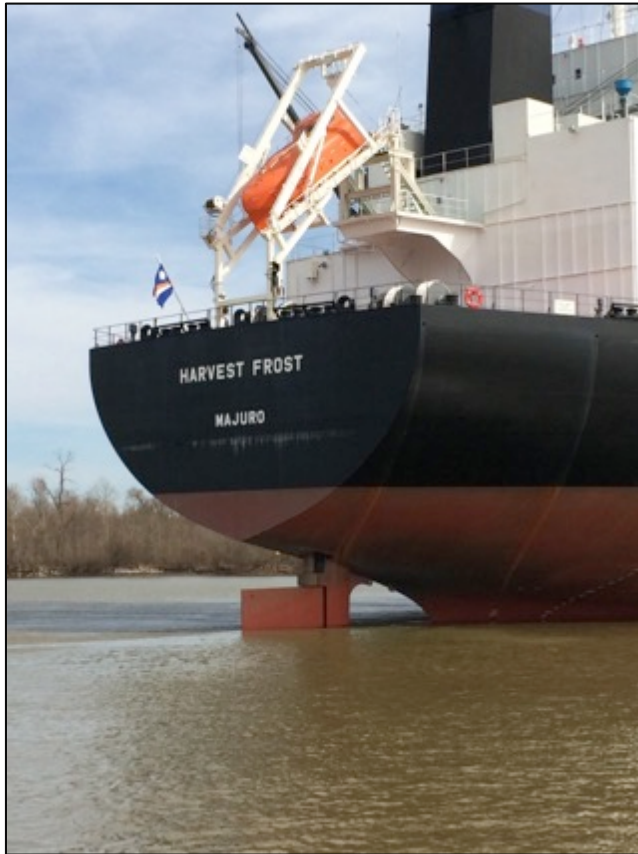
DECENTRALIZATION



REGIONALIZATION



FLAG STATE AS A REGULATORY BODY



- RMI's mission as a flag State
 - Quality
 - Compliance
 - Value
- Balance between providing service and enforcing regulations
- Both the **port State** and **flag State** interventions are viewed as a means to get the vessel back on track and in compliance

STRATEGIC FOCUS

PROCESS

- Improve internal processes to ensure consistency of operations
- Improve flexibility to account for regional differences

SERVICE

- Focus on core process of managing risk to keep the fleet in operation, rather than just conducting more inspections
- Improve inspection capabilities to match fleet growth and diversity
- Do no harm!



MARINE SAFETY

- Regionally managed inspection scheduling process
- Worldwide network of inspectors available 24/7
- Scheduled and unscheduled inspections conducted
- Risk assessments conducted on a daily basis (owner, operator, and vessel)
- Long-term vessel condition monitoring
- Class Society oversight during scheduled / unscheduled inspections



TECHNICAL

- Technical experts available around the clock via our worldwide network of offices
- Extensive oversight of Class Societies and Recognized Organizations (ROs)
- **Review** and provide authorization to ROs for issuance of short-term certificates, Conditions of Class, etc.
- Interpretation of International Maritime Organization (IMO) requirements



PORT STATE CONTROL (PSC) FRIEND OR FOE?

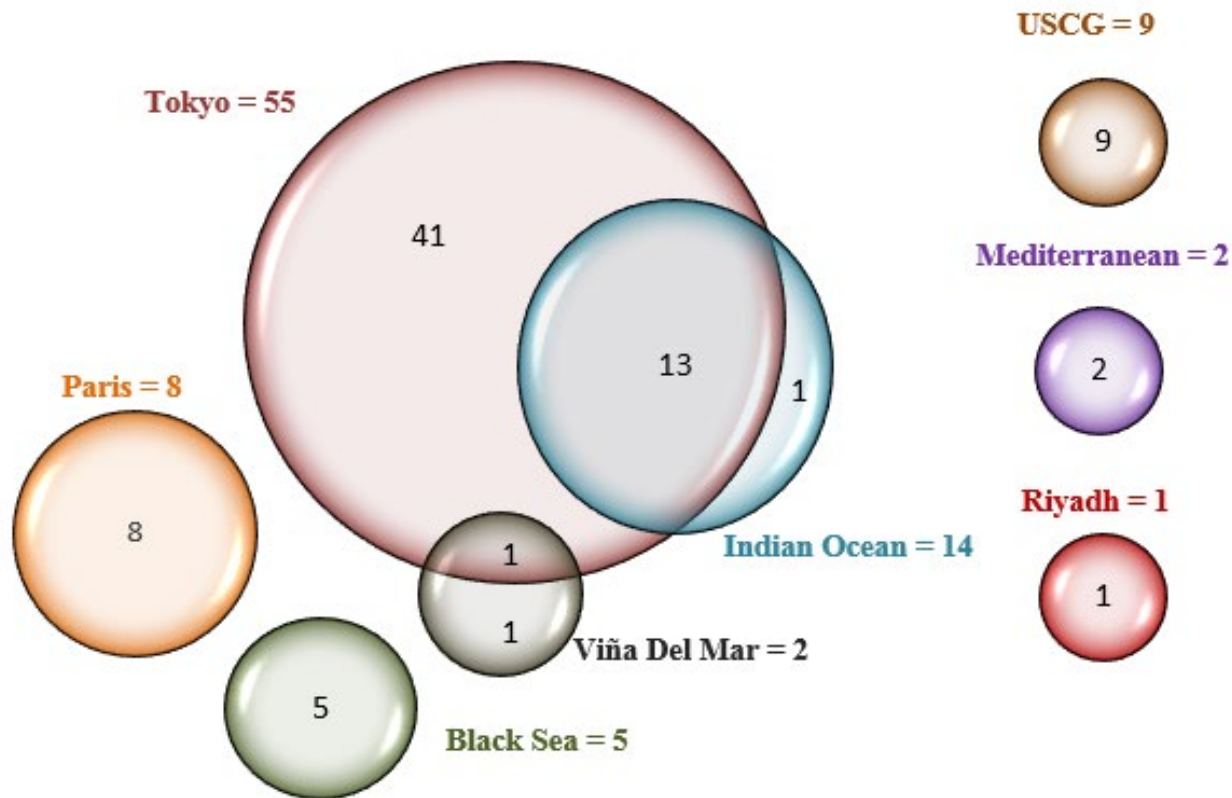
- RMI uses PSC information and findings as a measure of quality
- Transparency / Communication / Cooperation
- Responsibility and effort is recognized
- So is poor management (Do No Harm Principle!)
- The United States Coast Guard (USCG), Paris Memorandum of Understanding (MoU) authorities, China, and the Australian Maritime Safety Authority (AMSA) work with the RMI flag as integral parts of the Safety Net
- Presence Counts: In 2013 the RMI became a full member of the Tokyo MoU



COMPLIANCE: RESILIENCY



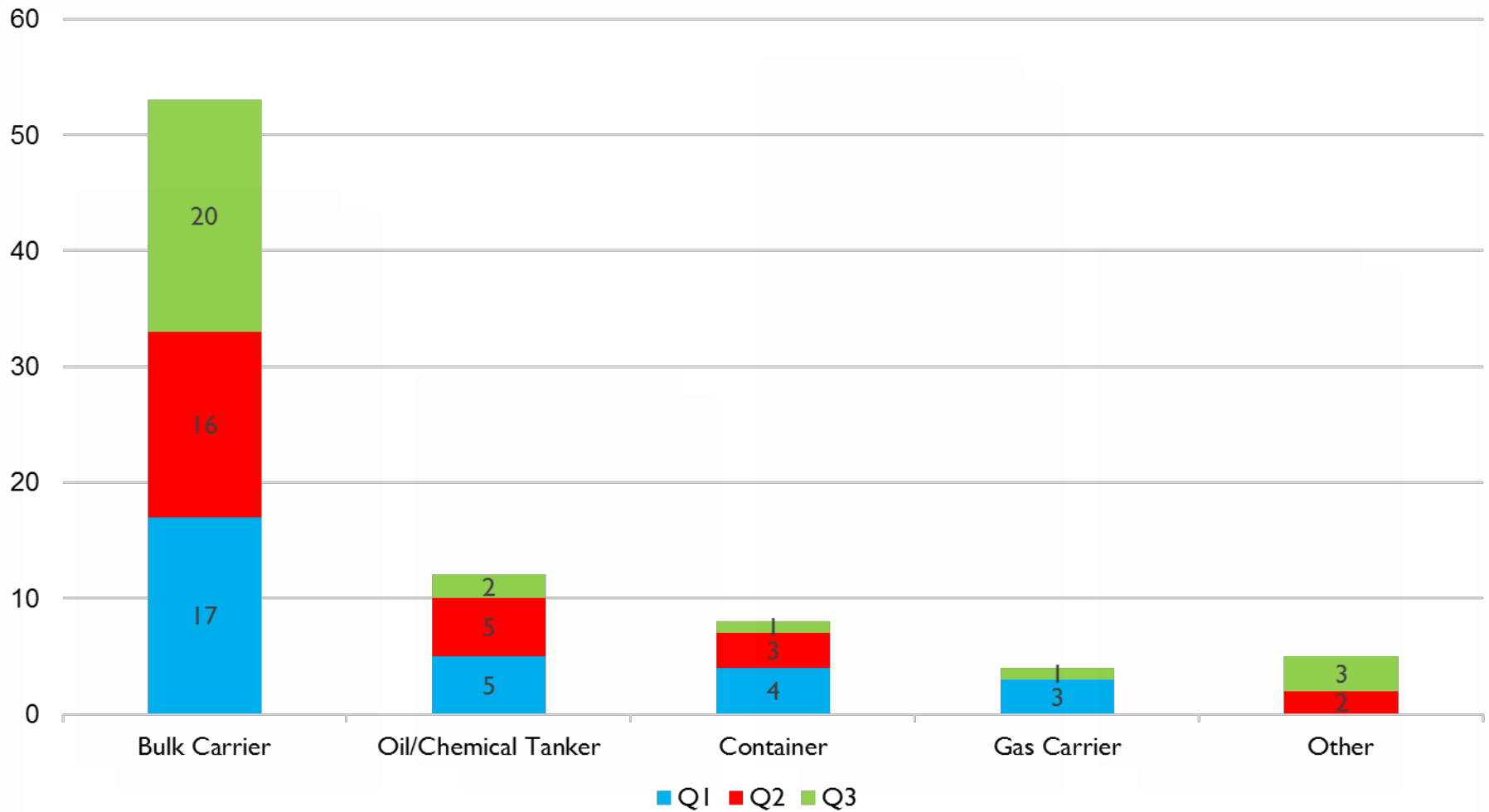
PSC DETENTIONS BY MEMORANDUM OF UNDERSTANDING (MoU)



Total PSC Detentions = 82

As of 30 September 2018

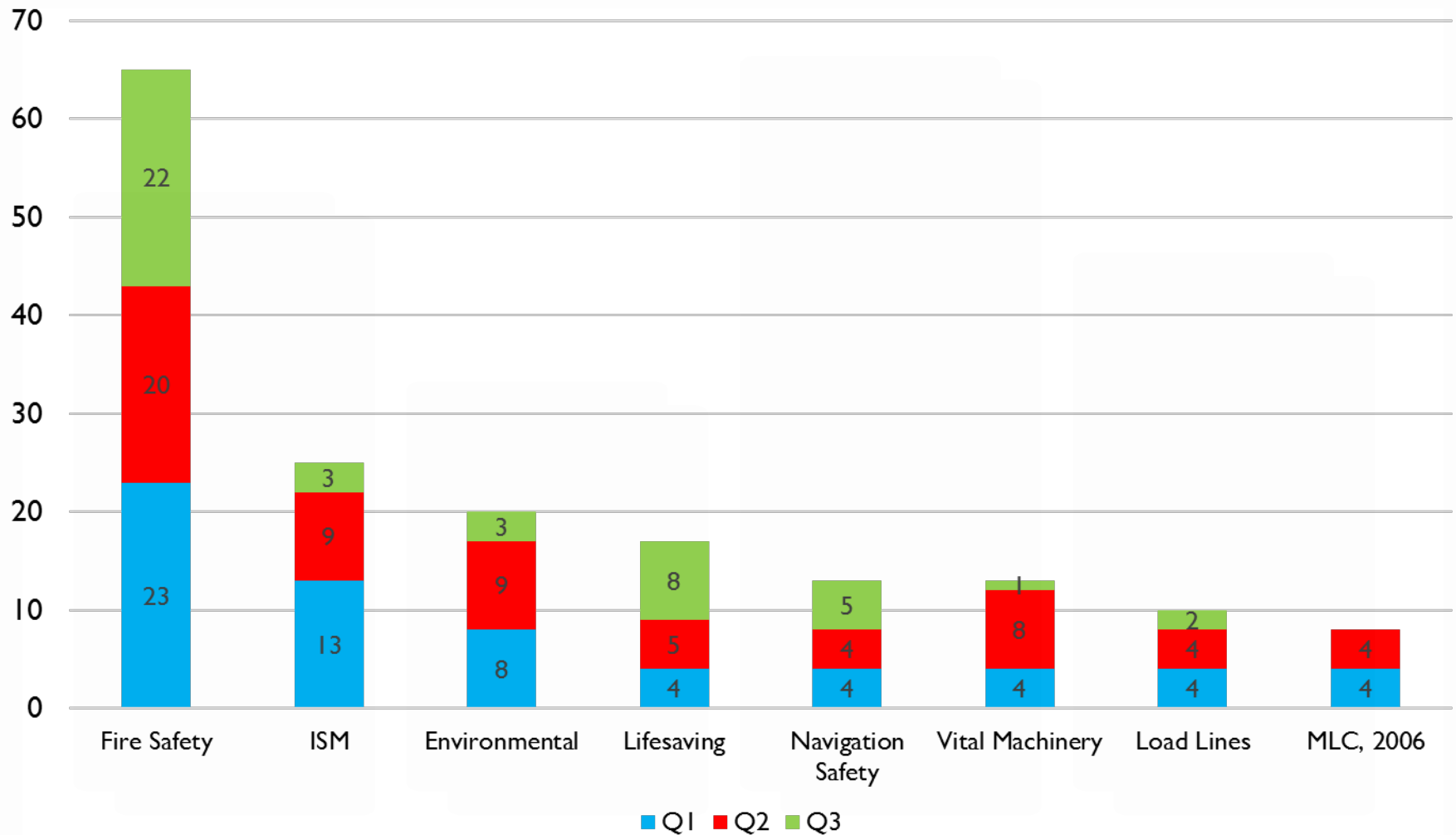
DETENTIONS BY VESSEL TYPE



As of 30 September 2018



TOP DETAINABLE DEFICIENCIES



As of 30 September 2018

FIRE SUPPRESSION SYSTEMS



FIRE SUPPRESSION SYSTEMS (continued)



QUICK CLOSING VALVE



QUICK CLOSING VALVE (continued)



UNAUTHORIZED CEMENT BOXES



UNAUTHORIZED CEMENT BOXES (continued)



OIL SOAKED LAGGING?



OIL SOAKED LAGGING? (continued)



INOPERATIVE STACK DAMPERS



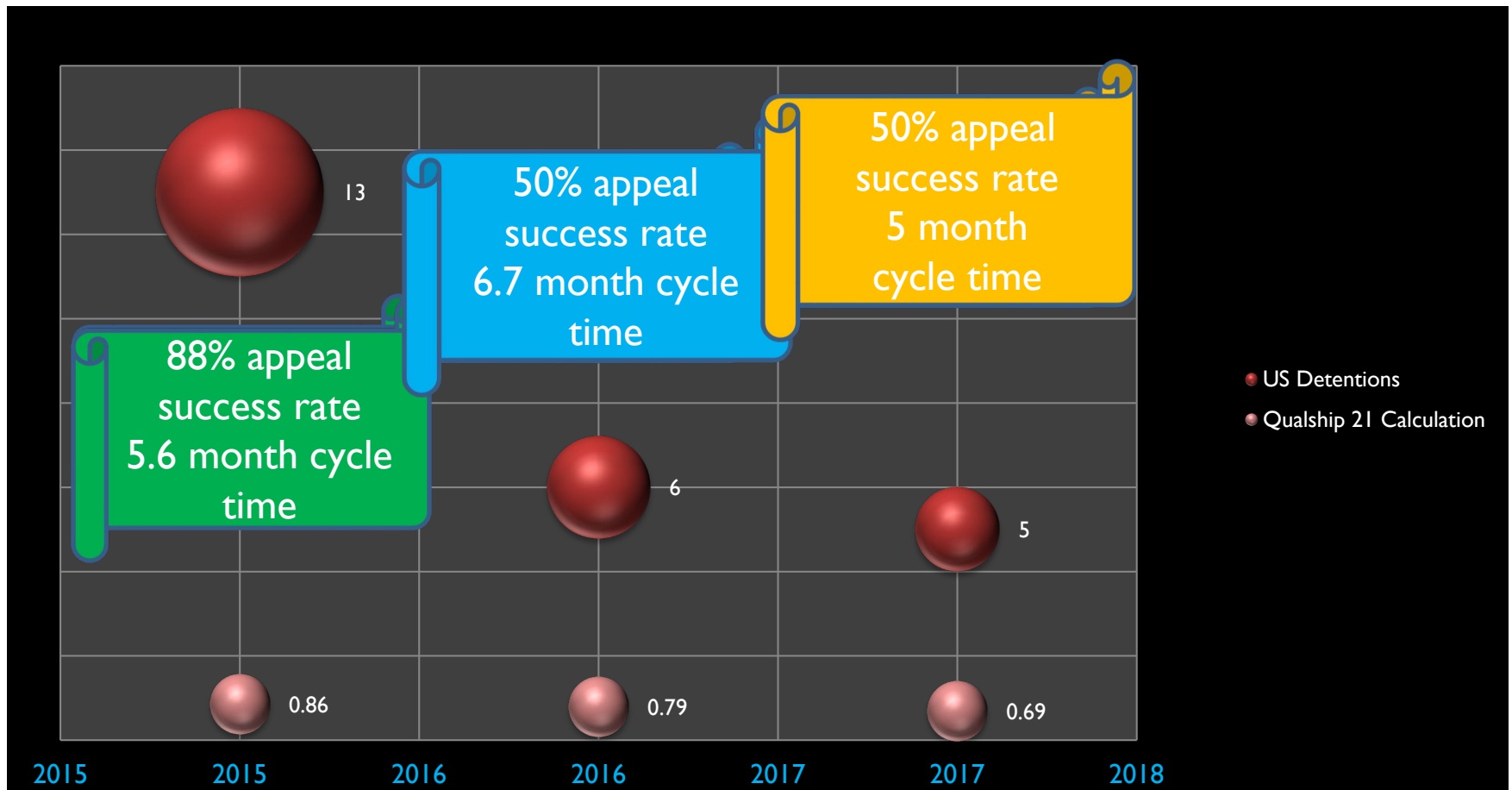
BEFORE



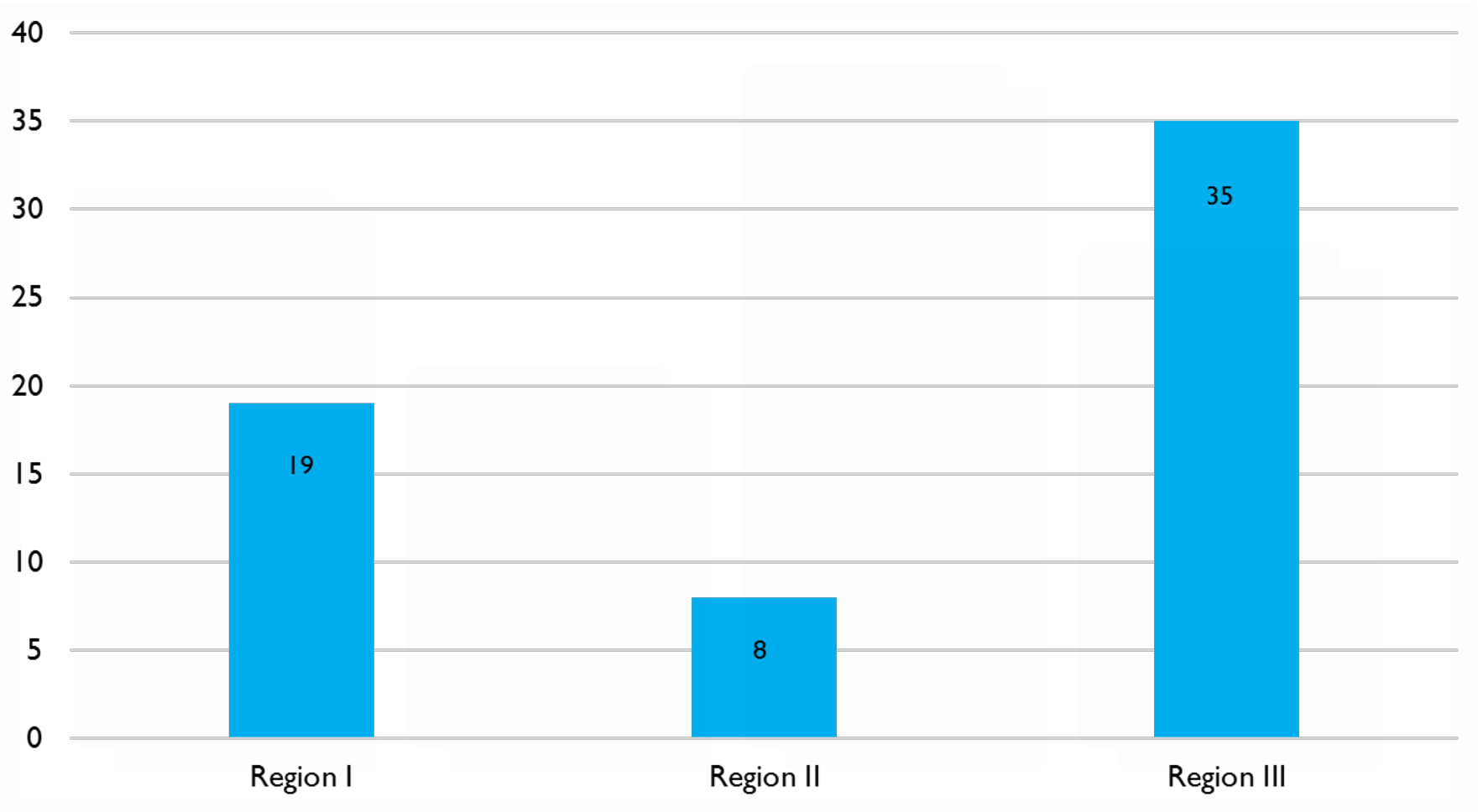
AFTER



QUALSHIP 21 AND THE THREE (3) YEAR ROLLING AVERAGE

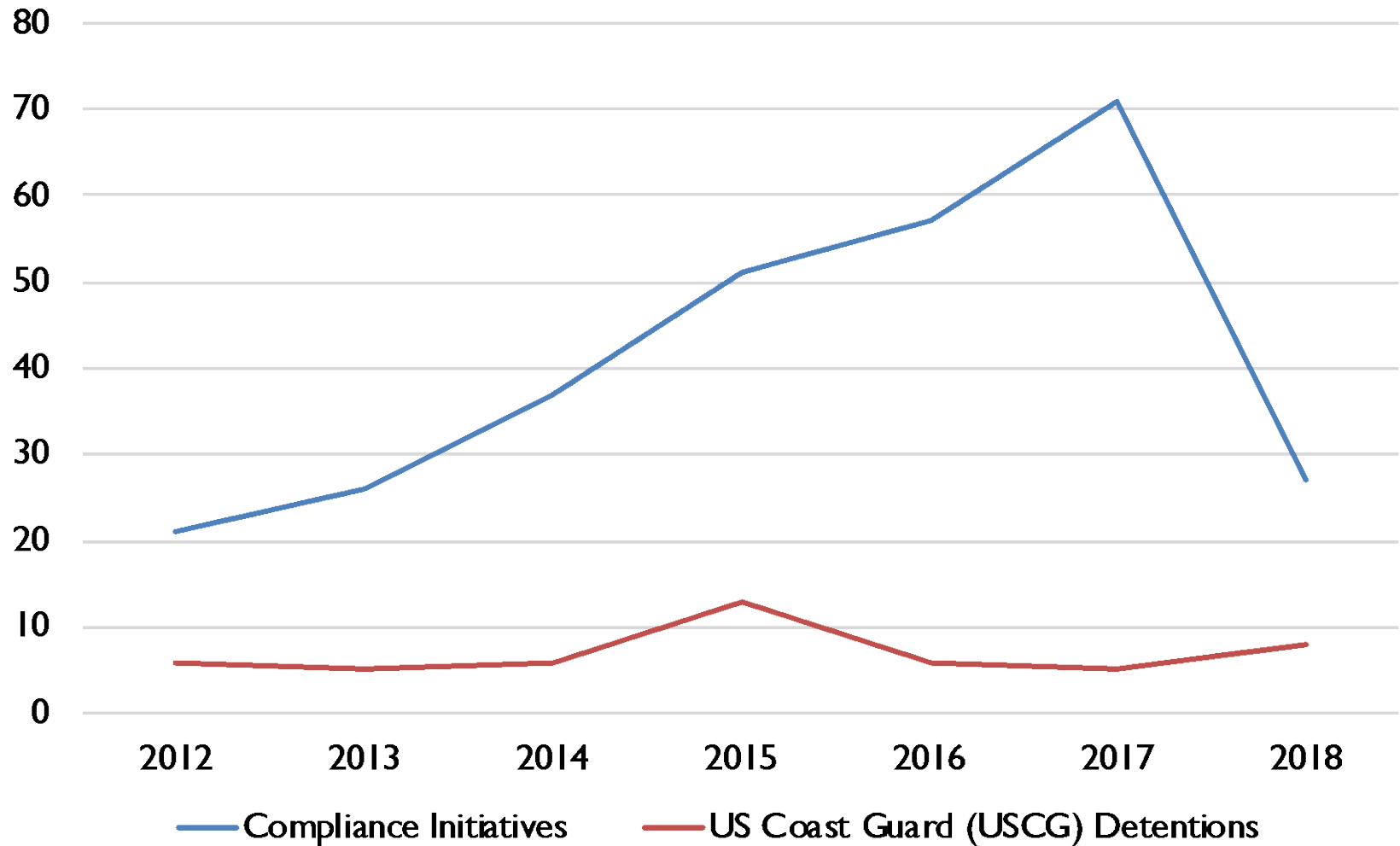


COMPLIANCE INITIATIVES ALL REGIONS



As of 30 September 2018

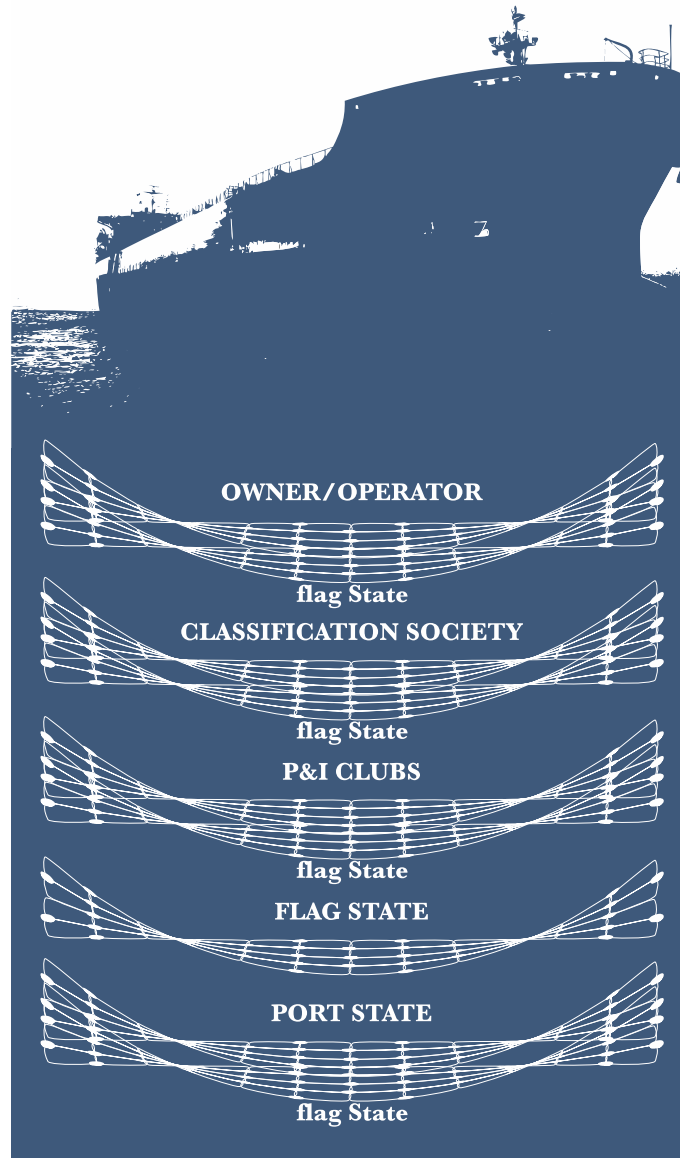
UNITED STATES (US) COMPLIANCE INITIATIVES



As of 30 September 2018



SAFETY AND SECURITY NET PRINCIPLE



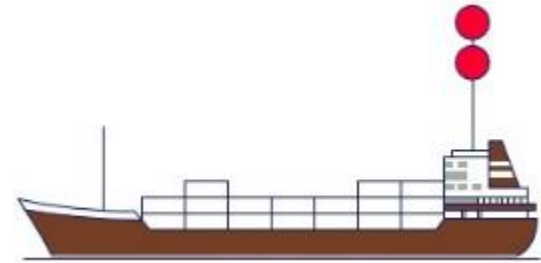
PERFORMANCE DRIVERS

WHO IS AT THE HELM?



- Inspections – more?
- Audits?
- Environment – PSC, Rightship, Charterers?
- Market?
- Local Agents?
- IMO?
- Crewing Agencies?
- Crew?

NOT UNDER COMMAND?



- Understanding your environment and influencing behavior to adapt
 - Company Representatives
 - Crew
 - ROs
 - Flag
 - Port State

ONLY FLAG STATE WITH A WORLDWIDE REGIONAL NETWORK OF DEDICATED MARINE SAFETY AND TECHNICAL PERSONNEL

- 28 offices worldwide
- 50+ full-time inspectors
- Worldwide Technical team
- 18 International Safety Management (ISM) / International Ship and Port Facility Security (ISPS) Auditors
- Seafarer licensing and crew evaluation personnel
- Regulatory Affairs personnel
- Personnel attending IMO
- Full member of Tokyo MoU
- Casualty Investigation personnel
- Maritime Labour Convention, 2006 team
- 200+ contract inspectors

RMI FLAG STATE INSPECTORS

- Roles and Responsibilities
 - To confirm compliance with the applicable international and RMI safety, security, and environmental protection standards.
 - Assess the performance of the RO and/or Recognized Security Organization (RSO) authorized to act on behalf of the Administrator.
 - Identify gaps in the operational management of vessels flying the RMI flag and alert vessel owners and operators, Class Societies, ROs, and RSOs of the degradation in performance of vessels under their purview.



RMI INNOVATION TEAM

- Positively influence behavior – both afloat and ashore
 - Marine Safety Advisory (MSA) 21-18, *The Importance of Completing the Critical Items Checklist Prior to Arrival in United States Ports* (August 2018)
 - Developing MSD340 AUS, Concentrated Inspection Campaign (CIC) for Australian arrivals
 - RO accountability at the Class A deficiency level
 - Attend crewing conferences and make expectations known to crewing agents
 - Conduct joint inspections with China Maritime Safety Administration (MSA)
 - ISM Fact Checker
 - Visual learning techniques for crew and superintendents
- Results
 - RMI on all White Lists worldwide!
 - Significant reduction in US Compliance Initiatives



SUMMARY

- What are operators and the Industry concerned about these days
 - Ballast Water Management
 - 2020 Low Sulphur Fuel
- What are some other areas operators should be concerned about but may not follow as closely?
 - Their ISM System – Is it really working?
 - Capability of their crews
 - How to influence behavior and improve culture of safety afloat and ashore
- Flag's Value
 - Not just more inspections
 - Positive and productive influence on behavior while on onboard
 - Close connection to owners / operators to do no harm! Not just providing authorizations when requested by owners / operators but interceding early when we see a problem.
 - “You can't always get what you want, but you get what you need!”



THANK YOU



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