

MANAGING RISK GENERAL GUIDELINES ON PORT STATE CONTROL (PSC) INSPECTIONS

Ship Finance and Maritime Operations Seminar
18 February 2016

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PSC IN THE UNITED STATES (US) US Coast Guard (USCG)

- 2014 results:
 - The USCG conducted 932 PSC exams on Republic of the Marshall Islands (RMI) vessels
 - Six (6) of these PSC exams resulted in International Maritime Organization (IMO) detentions
 - Top three (3) detainable deficiencies issued by the USCG in 2014:
 - International Safety Management (ISM) Code
 - The International Convention for the Prevention of Pollution from Ships (MARPOL) Annex I
 - Fire Fighting Appliances
 - RMI Fleet Operations Department intervened and prevented 37 RMI vessels from being detained



PSC IN THE US (continued)

USCG

- 2015 results:
 - The USCG conducted approximately 1,151 PSC exams on RMI vessels
 - 15 of these PSC exams resulted in IMO detentions
 - Top three (3) detainable deficiencies issued by the USCG in 2015:
 - International Safety Management (ISM) Code
 - Cleanliness of the Engine Room - (MARPOL) Annex I
 - Quick Closing Valves – Fire Safety
 - RMI Fleet Operations Department intervened and prevented 51 RMI vessels from being detained



PSC IN THE PARIS MEMORANDUM OF UNDERSTANDING (MoU)

- 2014 results:
 - 1,094 total PSC exams on RMI vessels
 - 16 detentions
 - Top three (3) detainable deficiencies issued under Paris MoU in 2014:
 - Safety of Navigation
 - Fire Safety
 - Life Saving Appliances



PSC IN THE PARIS MoU (continued)

- 2015 results
 - 1,274 total PSC exams on RMI vessels
 - 16 detentions
- Top three (3) detainable deficiencies issued under Paris MoU in 2015:
 - International Safety Management (ISM) Code
 - Fire Detection Systems
 - Emergency Generator

Decrease in single year detention ratio from 2014 to 2015

1.46% (2014) to 1.26% (2015)



PSC IN THE TOKYO MoU

- 2014 results
 - 1,809 total PSC exams on RMI vessels
 - 43 detentions
 - Top three (3) detainable deficiencies issued under Tokyo MoU in 2014:
 - Lifeboats
 - Fire Dampers
 - ISM Code



PSC IN THE TOKYO MoU (continued)

- 2015 Results
 - 2,739 total PSC exams on RMI vessels
 - 45 detentions
 - Top three (3) detainable deficiencies issued under Tokyo MoU in 2015:
 - International Safety Management (ISM) Code
 - Lifeboats
 - Fire Fighting Systems

Decrease in single year detention ratio from 2014 to 1015

2.3% (2014) to 1.64% (2015)



WHAT DOES THIS MEAN?

- Overall quality and compliance of the RMI fleet is improving worldwide
 - Evidenced by the decrease in detentions in the Paris and Tokyo MoUs
- Increase in USCG detentions indicates a change in enforcement policy and not necessarily a decrease in fleet quality
 - Substandard condition vs. substandard ship
 - Substandard ship is “a ship whose hull, machinery, equipment or operational safety is substantially below the standards required by the relevant convention or whose crew is not in conformance with the safe manning document” (Procedures for Port State Control 2011)

A single substandard condition can/will result in the vessel being issued an IMO detention



EXAMPLES OF RECENT IMO DETENTIONS ISSUED BY THE USCG

- Blocked / disabled quick closing valve(s) (QCVs)
- Fire detection system disabled / inoperative
- Covered smoke detector(s)
- Hyper-mist system not ready for immediate use
- Life rafts improperly stowed
- Rescue boat not ready for immediate use
- Emergency generator unable to start / generate power
- Inoperative emergency fire pump



BLOCKED / DISABLED QCVs



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FIRE DETECTION SYSTEM DISABLED / INOPERATIVE SMOKE / HEAT DETECTORS COVERED



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HYPER-MIST / FIXED WATER SPRAY SYSTEM NOT READY FOR IMMEDIATE USE



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THIS VALVE
TO REMAIN
OPEN AT ALL
TIMES





RESCUE BOAT NOT READY FOR IMMEDIATE USE



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LIFE RAFTS IMPROPERLY STOWED



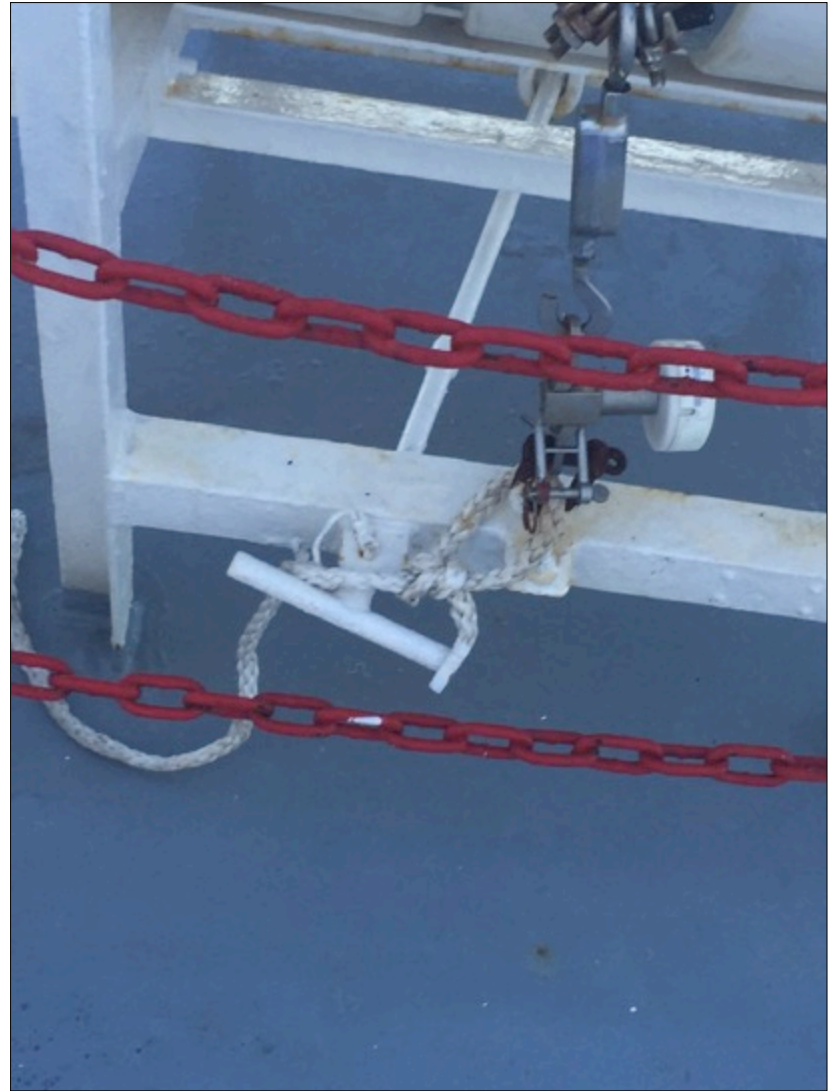
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EMERGENCY GENERATOR UNABLE TO START / GENERATE POWER



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INOPERABLE FIRE PUMP



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USCG SAFETY TARGETING MATRIX

SHIP MANAGEMENT	FLAG STATE	RECOGNIZED ORGANIZATION	VESSEL HISTORY	SHIP PARTICULARS <i>(See Note)</i>
5 Points Listed Owner, Operator, or Charterer.	7 Points Flag State has a detention ratio +2x average for all Flag States.	Priority I A detention ratio equal to or greater than 2%.	Priority II First Time to U.S or no PSC exam in the previous 12 months; or outstanding USCG requirements	4 Points General Cargo / Ship Ro-Ro / Cargo Ship / Vehicle Carrier
	2 Points Flag State has a detention ratio between the avg and 2x average for all flag States.	5 Points A detention ratio less than 2% but greater than or equal to 1%.	5 Points Each Detention, denial of entry, or expulsion in the previous 12 months.	2 Points Bulk Carrier Refrigerated Cargo.
		3 Points A detention ratio less than 1% but greater than 0.5%.	1 Point Each COTP restriction; or Reportable Marine Casualty; or Marine violation in the previous 12 months.	1 Point Oil or Chemical tanker.
Note: For QUALSHIP 21 vessels only (regardless of vessel type); Ship Particulars points <u>should not be added</u> , but points can be subtracted for age.				SHIP AGE <i>(Add or subtract point)</i> 0-4 years - subtract 3 5-9 years - subtract 2 10-14 years - add 0 15-19 years - add 3 20-24 years - add 5 25+ years -add 7



AUSTRALIA



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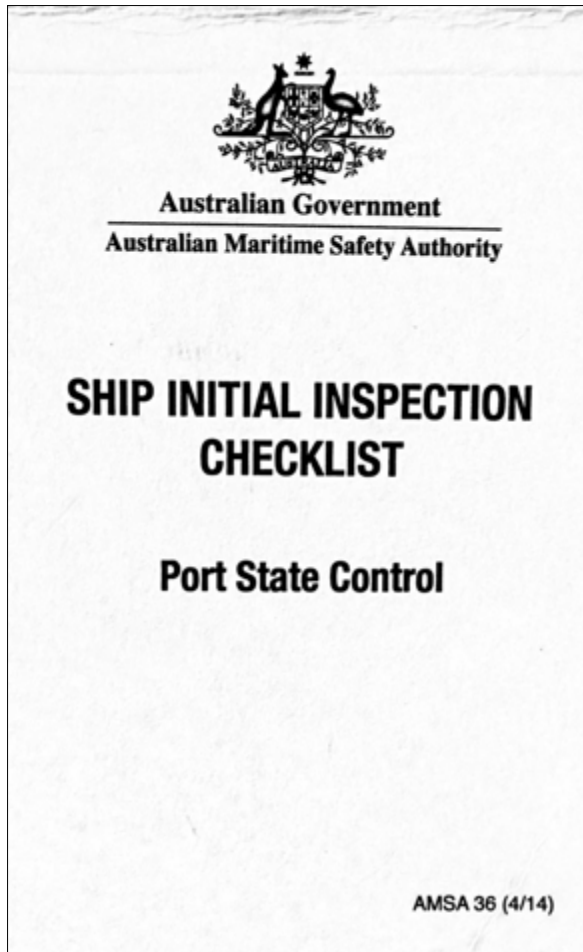


EXAMPLES OF RECENT IMO DETENTIONS ISSUED BY THE AUSTRALIAN MARITIME SAFETY AUTHORITY (AMSA)

- Engine room fire dampers
- Sewage systems
- Emergency generators
- Emergency fire pump
- Oily water separator and oil content meter
- Charts and publications – high quality passage planning
- Global Maritime Distress and Safety System
- Hours of rest
- Loadline issues
- Lifeboats / liferafts
- Engine room cleanliness
- Fire fighting systems
- Enclosed space entry procedures



PSC IN AUSTRALIA



General Details (SHIPSYS Mobile Users Only)

Owner (record owner's name from ship's registration papers or C.S.R)	
IMO registered owner number	Country
Charterer	
P&I club	
Agent	
Last special survey (dd/mm/yyyy)	
Port of registry	
Type of cargo	
Master advises that all equipment is operating satisfactorily and that the vessel is seaworthy YES / NO	
Master's signature	
Comments	
Scheduled departure date / /20	Time
Next port	ETA next port



TOP DETAINABLE DEFICIENCIES



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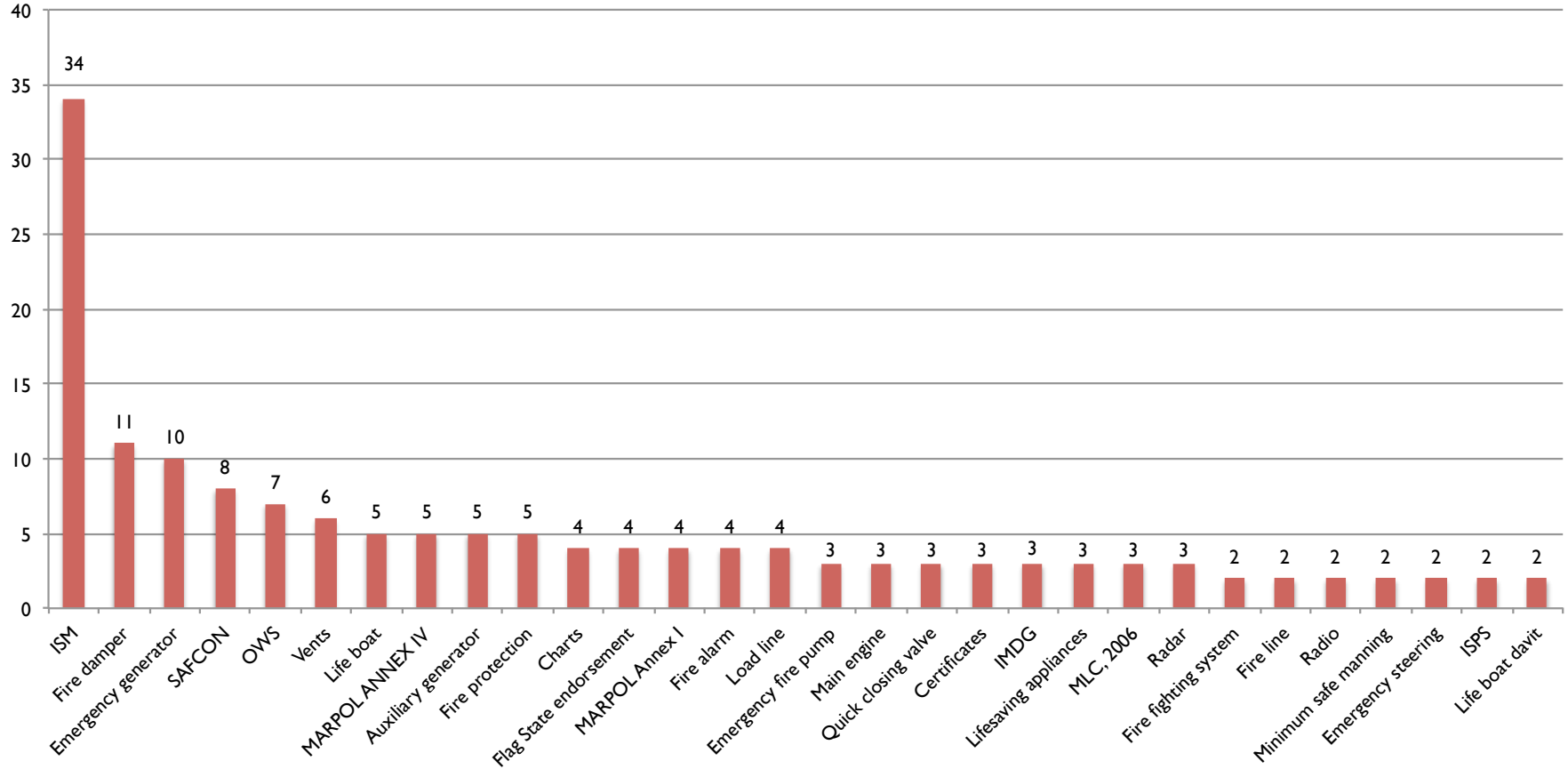
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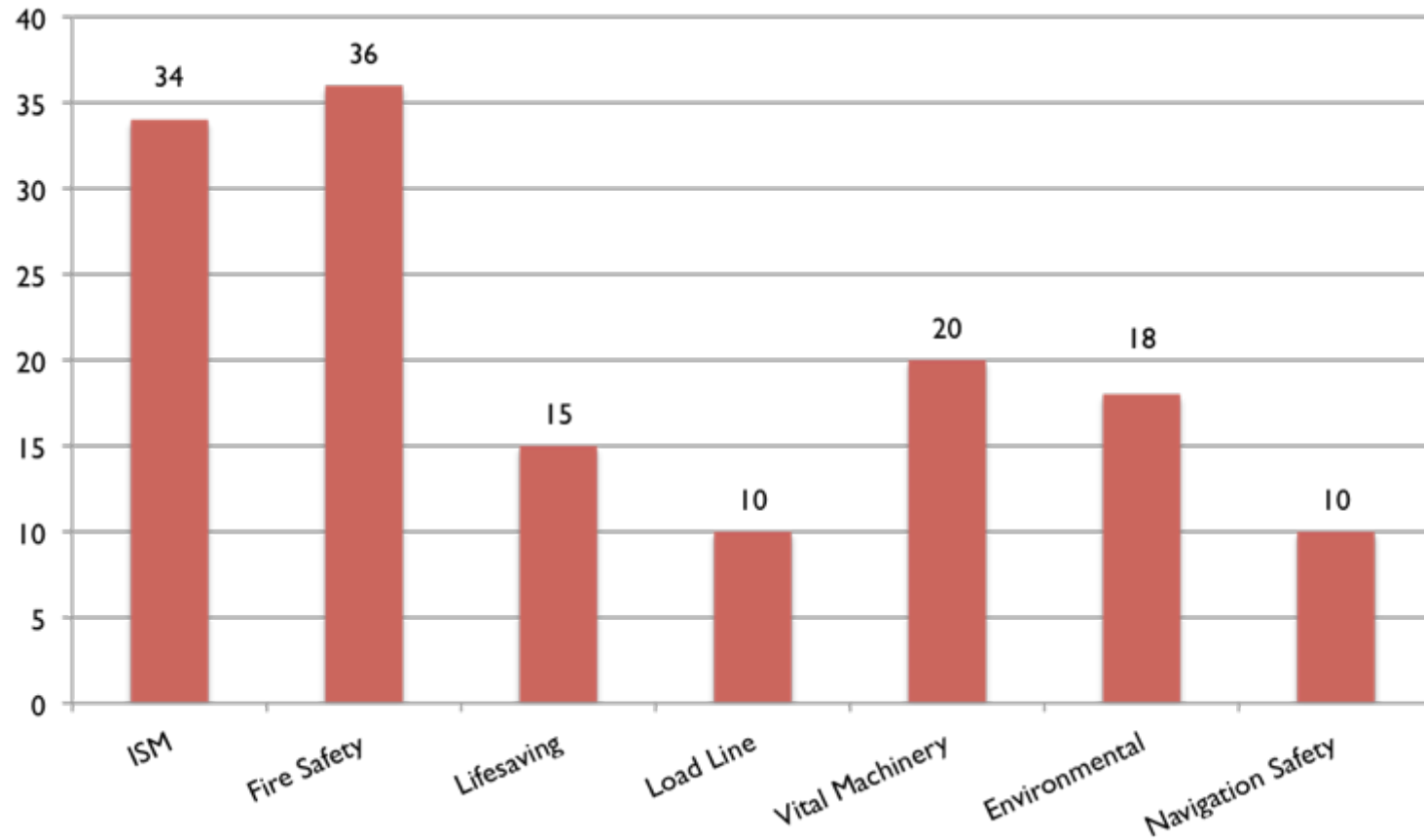
2014 RMI DETAINABLE DEFICIENCIES BY TYPE



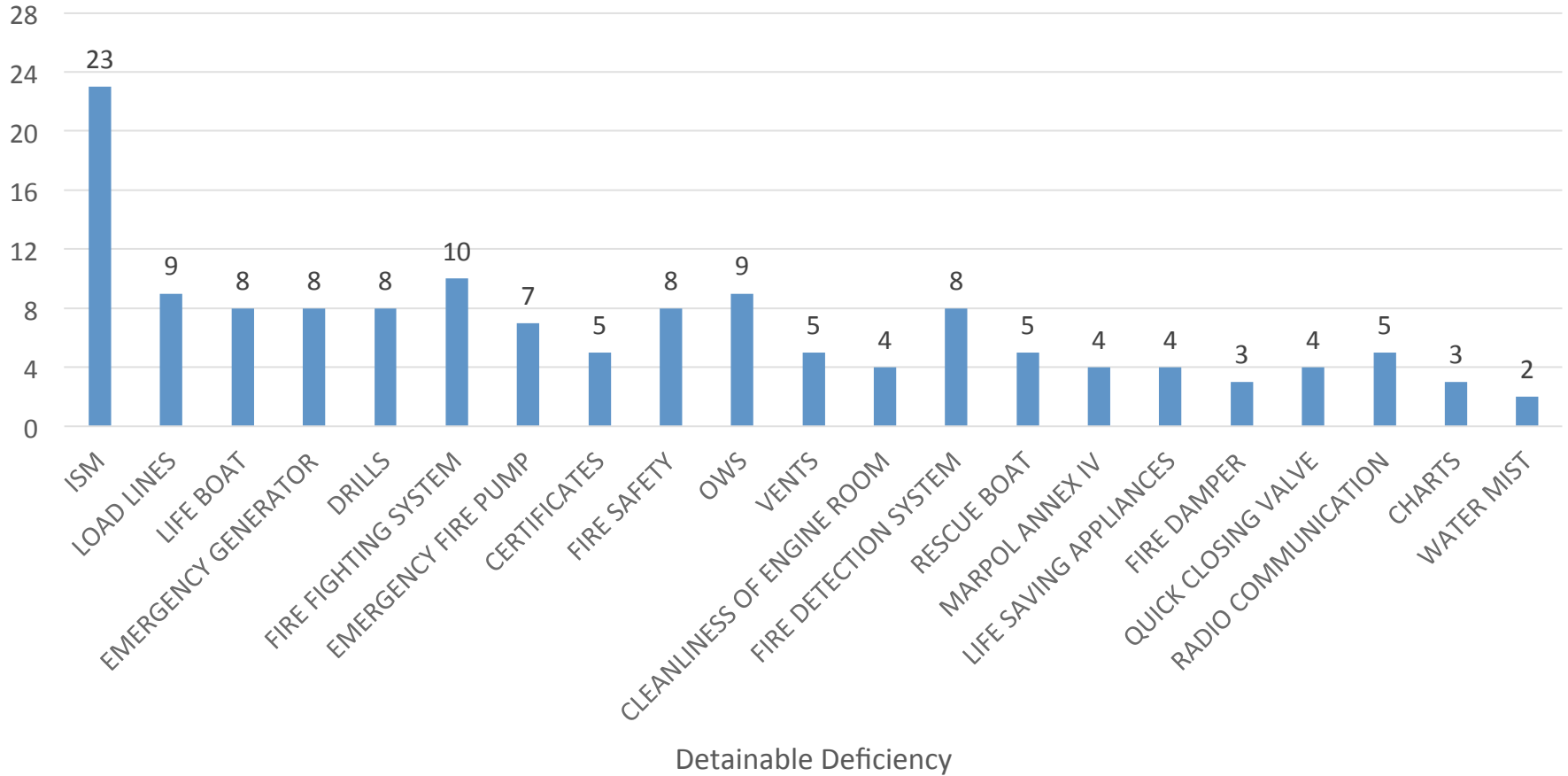
Detainable deficiencies issued once in 2014: Rescue boat, Fire pump, MARPOL ANNEX VI, VDR, Emergency lighting, Fire detection system, GMDSS, Means of escape, Water mist, Bilge alarm, Deck alarms, Inert gas system, ORB



2014 DETAINABLE DEFICIENCIES TOTALS



2015 RMI DETAINABLE DEFICIENCIES BY TYPE

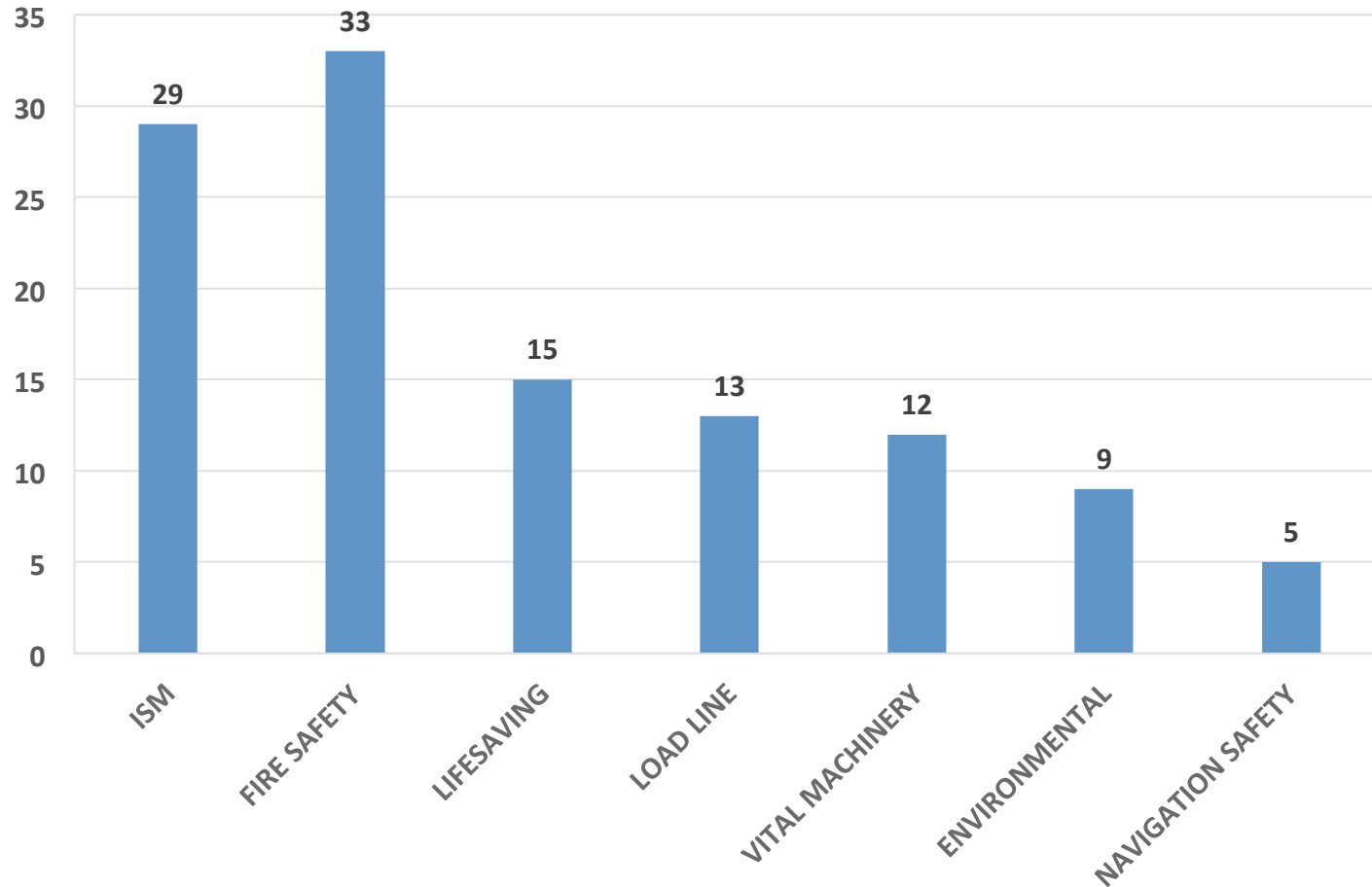


Detainable Deficiency

Detainable deficiencies issued once in 2015: Cargo hold securing, ODME, Dewatering valve, Class A fire boundary, Water ingress alarm, Cargo tank inerting



2015 DETAINABLE DEFICIENCIES TOTALS



WHERE DO WE GO FROM HERE?

- The RMI Maritime Administrator (the “Administrator”) has implemented / issued several policies in order to assist operators and crews with preparing for PSC exams in the US
 - Measures to Improve Compliance of Republic of the Marshall Islands Flagged Vessels in United States Ports (Marine Notice (MN) 5-034-5)
 - Critical Items Checklist (MSD 340)
- Worldwide marine safety and technical assistance
- Representatives strategically positioned at key ports around the world
 - Paris MoU ports
 - US ports
 - Chinese ports
 - Australian ports



THE RMI FLEET WORLDWIDE



**As of January 2016*



GLOBAL COVERAGE



MN 5-034-5


- Notice of Arrival (NOA)
 - A copy of the vessel's NOA to the USCG must be provided to the Administrator
 - Send to noa@register-iri.com
- Critical Items Checklist (MSD 340)
 - Appendix I to MN 5-034-5
 - Items on checklist must be inspected by the crew
 - Form must be completed by the Master and Chief Engineer attesting to the completion of the checks
 - Completed form must be provided to the Administrator at inspections@register-iri.com

All non-operational equipment must be listed on the NOA and Critical Items Checklist



CRITICAL ITEMS CHECKLIST

APPENDIX I



REPUBLIC OF THE MARSHALL ISLANDS
MARITIME ADMINISTRATOR
CRITICAL ITEMS CHECKLIST

For all merchant vessels – the below Checklist is to be completed, signed and submitted to the Republic of the Marshall Islands (RMI) Maritime Administrator (the “Administrator”) prior to arrival at a United States (US) port. Failure to follow these requirements could lead to a possible detention by the Administrator or PSC authorities.

VESSEL NAME: _____ OFFICIAL No.: _____

REQUIREMENTS FOR ALL VESSELS

- All ships equipped with MEPC, 90/149 Oil Content Meters (OCM) must ensure that the Engineering Department staff can retrieve the “historical data” upon request by PSC authorities. All engine room alarm history, Oil Record Book (ORB) entries, OCM history and tank soundings must match with respect to dates and tank levels. Any deviation must be investigated, corrected, and if necessary reported to flag. The use of “white out” is not permitted in ORBs. All OCM seals must be intact and not tampered. All ships must demonstrate that the Oil/Water Separator (OWS), OCM, if equipped, and 3-way valve are fully operational and crew able to test in accordance with written test procedures.
- Ensure OWS piping systems are in accordance with ship’s approved drawings.
- No fuel oil, lube oil or hydraulic leaks on operating machinery and no oil soaked lagging.
- No soft patches on piping systems. If found, contact the Maritime Administrator immediately.
- No excessive bilge water in the engine room (or any other fire hazards in all machinery spaces).
- Bilge high level alarm system demonstrated fully operational.
- Smoke and heat detector alarm system demonstrated fully operational. Vessel must have onboard a means to test the smoke and heat detection and fire detection system which is approved by the manufacturer. Cigarettes/cigarrette lighters are not permitted for testing these systems. No temporary covers or obstructions on any smoke or heat detectors for any reason.
- All quick closing fuel valves are working properly without binding. No temporary blocks to force valves in the open position. All emergency lines corrected. This includes the emergency generator shut-down valve.
- Steering gear tested in all modes including local and emergency without binding or uncontrolled hydraulic oil leaks. All steering alarms are fully operational, both locally and remotely on the bridge.
- Main fire pumps – US Coast Guard (USCG) PSC will likely require one (1) fire hose rigged forward and one (1) from the bridge wing – and demonstrate two (2) straight steady streams of water with adequate pressure at the local gauge. Consideration must be given for extremely cold weather during the winter months.
- Emergency fire pump must be fully operational under any ballast or loaded condition and provide two (2) straight steady streams of water as described above.
- No leaks or temporary patches in the fire line or significant uncontrolled leaks in the packing glands or mechanical seals when fire pumps are energized.
- Emergency generator is tested in all starting modes and can accept the electrical load. Starting batteries fully charged and in good condition.
- Machinery space ventilation dampers tested to ensure that they close tightly and there is no mechanical binding.

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Republic of the Marshall Islands

- Stack dampers tested to ensure that they close tightly and there is no mechanical binding or light leakage observed from inside the stack space.
- No cement boxes unless the vessel’s Classification Society (Class) has fully documented it.
- No overdue Conditions of Class.
- All lifeboat and rescue boat engines must start immediately and the rudders have good freedom of movement and no binding. Consideration must be given for extremely cold weather during the winter months.
- All lifeboat windows must have good visibility and not partially obscured, hazed or opaque. No cracks or fractures.
- No cracks or fractures in the lifeboat hulls or temporary repairs of any kind.
- All lifeboat food rations are in 100% airtight packing and not expired.
- All life raft painters must be secured properly to ensure “free floating” capability. This must be checked even after servicing.
- Life rafts and critical firefighting equipment being serviced in port or at anchor must have temporary equipment placed onboard by the service provider while the equipment is being sent ashore.
- All firefighting suits must be in satisfactory condition, with the face mask in good order. No dry rotted rubber mask straps. Jackets, pants and gloves must not have any holes or rips in the material. Aluminized coating intact and in good condition.
- All fire screen doors must immediately slam fully shut when closed with no hold backs keeping doors in the open position.
- No missing, paint covered, or plugged fixed CO₂/water mist system nozzles.
- Boats must be able to be launched and retrieved.
- Charts, publications and voyage plan are prepared in good manner and up to date.
- Vessels equipped with water mist systems should verify that all valves are in the correct alignment (OPEN) and to ensure that the system is FULLY operational. Also the system must be in “AUTOMATIC MODE” and not “MANUAL MODE” and system is “on.”
- Master, officers and crew ready for fire, abandon ship and confined space rescue drills as directed by USCG PSC officers.
- All officers and ratings required by the vessel’s Minimum Safe Manning Certificate have the appropriate and unexpirational and flag State documents for their capacities.

ADDITIONAL REQUIREMENTS (for tankers only)

- The Inert Gas Generator system is fully operational.
- Overboard Discharge Monitoring Equipment (ODME) is fully operational.
- The high alarm (95%) and high-high alarm (98%) to be operating with audio-visual alarms as required.

List of any non-operational equipment: _____

FAILURE TO FOLLOW THIS CHECKLIST COULD LEAD TO THE VESSEL BEING DETAINED BY THE ADMINISTRATOR AND/OR PSC AUTHORITIES

By signing below, I certify that I have reviewed and verified each item found on the Critical Items Checklist. I also certify that if there is a problem with any item on the Checklist, I will notify the Administrator immediately and a TEC-02 form (if applicable) will be submitted. I understand that adverse actions can be taken against my Officer’s license by the Administrator for failure to report a problem where required.

Master Signature / RMI Certificate No. _____ Print Name _____ Date _____

Chief Engineer Signature / RMI Certificate No. _____ Print Name _____ Date _____

COMPLETED FORM IS TO BE EMAILED TO inspections@register-iri.com

7/15 6 of 6 MSD 340
5-034-5

Republic of the Marshall Islands



THE ADMINISTRATOR'S REAL-TIME RISK MANAGEMENT

- MN 5-034-5
- Quality control boardings
- Zone notifications by the Administrator based on LRIT
 - US ports
 - Australian ports
 - Chinese ports
- Real-time technical assistance – weighing options / managing risk
- Monitoring of fleet quality to anticipate problems and address
- Extensive oversight of Recognized Organizations and Recognized Security Organizations
- Worldwide communication with, and respect from, PSC authorities



OWNER / OPERATOR REAL-TIME RISK MANAGEMENT

- Treat the crew's preparation of the ship and critical items as important as getting the next charter or taking care of cargo.
- Crew incentives for performance during PSC exams
- Use a critical item checklist prior to entering port
- Have a PSC plan
- If you have a problem, report it before arrival
- Know:
 - your ships;
 - your ships' crews;
 - the environment your ship will be operating in; and
 - that a good flag State is a true resource to your operation.



COMMUNICATION

Early reporting of defects and open communication allows the Administrator to provide assistance and facilitate communication with local port state authorities.

Resulting in:

**Improved Compliance and Quality
Uninterrupted Operations – No Delays**



THANK YOU



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