

January 30, 2004

FLEET/SAFETY LETTER 04064.GEN

RE: BEGINNING OF THE YEAR SAFETY LETTER

As we enter 2004, and the Year of the Monkey, we would like to wish every one a happy and healthy New Year! As I write this letter, we have topped 570 vessels on the registry, and continue to focus our attention on operating a quality and safety conscious registry.

Over the Past Year -- 2003:

- Port State Control detentions of Vanuatu vessels remain low.
- Vanuatu vessels became eligible for the US Coast Guard's Qualship 21 program.
- Safety inspections decreased slightly from 2002 levels.
- We have signed 80 agreements under STCW 95 to recognize by endorsement certificates issued by other administrations.
- We have been audited to ISO 9000-2000 standards with no non-conformities.
- The number of deaths in the fleet dropped but injury related deaths increased.
- There were no vessels lost during the year.
- False EPIRB alerts reached their highest level in years.

Looking Ahead:

Registry News and Reminders

- A Vanuatu Safety Seminar may be scheduled for May in the Houston area.
- A processing fee for false EPIRB alerts will continue to be assessed.
- Vanuatu vessels are subject to safety inspections at any time. Vessels may be boarded at any time by any flag state or port state authority.
- Owners must notify us immediately if vessels are detained or are alleged to have violated IMO Routeing Schemes, Collision Regulations, ITU Radio Regulations, or fishing treaties or conventions. Casualties, injuries, deaths and oil spills must be reported in accordance with Chapter 7 of the Maritime Regulations.
- Each vessel must have a Minimum Safe Manning Certificate. For self-propelled vessels these must be updated if they do not already address GMDSS or STCW 95 requirements. All deck officers on GMDSS equipped vessels must have General Operator's Certificates.

Regulatory Updates:

The Safety of Life at Sea Convention (SOLAS) has been updated. New requirements in Chapters II, V, XI and XII have been published.

Chapter XII includes new measures and additional technologies added for bulk carrier safety regardless of vessel construction date. Deadline 1 July 2004.

Chapter XII also requires the installation of a pumping system and drainage for dry space bilges and ballast tanks forward of the collision bulkhead.

Chapter XI of SOLAS implements the International Ship and Port Facility Security Code (ISPS Code). Deadline 1 July 2004. **No extensions.**

The ISPS Code is closely linked to the Maritime Transportation Security Act of the United States. This US Act applies to both US and foreign vessels calling in US ports.

Chapter XI also details how ships are required to visibly mark their identification numbers permanently on the hull or superstructure. Deadline 1 July 2004.

Chapter XI also requires ships to carry a Continuous Synopsis Record (CSR). This document is intended to provide a record of the vessel's history, including everything from the name of the vessel to owner history. All must be maintained continuously onboard the vessel. This office will be issuing these early in 2004.

Chapter V updates Automatic Information System (AIS) requirements which are to be installed no later than the first safety equipment survey after 1 July 2004, or by 31 December 2004, whichever comes first.

Changes to Chapter II have also been made which affect new bulk carrier and oil tanker construction to improve access to all parts of the vessel for inspections.

Other Items of Note:

A reminder to all owners and seafarer document applicants: with the full implementation of STCW on 31 January 2002, the number of applications being processed has doubled from earlier levels, resulting, at times, in delays of up to four weeks from receipt of applications to the completion of processing. Send applications in as early as possible. Keep copies of the applications and cover letters onboard the vessels. If you are stopped by a port state control officer, or inspected by one of our safety inspectors, there must be evidence that the document processing is underway. We will only issue Certificates of Receipt of Application (CRAs) when requested to do so: note that the Convention does not make these mandatory. There will be a fee attached as issuing CRAs reduces our ability to efficiently process the increased number of applications. Be sure that the application is complete with certificates of competency, documented sea time, letters of reference, updated medical reports, short course training certificates, including advanced firefighting for master, chief officers and chief engineers.

Remember, too, that there are significant consequences if licensed mariners are found without Vanuatu endorsements onboard your vessels. These consequences can range from monetary penalties or possible suspension from the flag state, to port state control intervention, detention and possible delay to the vessel. In early January 2004, one vessel was detained when a licensed engineer was found to have passed the 90 day grace period without a Vanuatu endorsement as the result of a miscommunication and misunderstanding between the manning agent, the owners, the master and the officer. Fines were imposed and the vessel was delayed.

I have taken the liberty of enclosing a copy of the fleet safety record comparison over the last 13 years. Note the increased number of incidents in 2003, the vast majority of which can be attributed to two owners.

I am also including a comparison of incidents other than casualties over the last few years, and a complete list of EPIRB alerts in the year. These can be very costly. Please take action to ensure the units are not set off unintentionally and that they are properly programmed.

Happy New Year!

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