January 12, 2007

#### FLEET / SAFETY LETTER 07088.GEN

RE: BEGINNING OF THE YEAR SAFETY LETTER

As we begin the New Year we wish everyone a happy and healthy 2007.

The registry once again ended the year with almost 600 vessels, and our focus continues on operating a quality and safety conscious registry.

#### OVER THE PAST YEAR - 2006:

- PSC detentions of Vanuatu vessels remained low (3 for 2006), but higher than we like.
- The number of safety inspections completed was about the same as 2005.
- VMSL has again been audited to ISO 9001-2000 standards with no non-conformities.
- Personal injuries have significantly increased over previous years. Managers and supervisors need to review "job hazard analysis/assessments."
- Poor seamanship/navigation accounted for about 27% of all casualties, a rate much too high!
   This rate can be reduced by proper training.
- False EPIRB alerts declined but still averaged about two (2) per month.
- Working in conjunction with another ship registry, VMSL conducted a successful "sting" operation against the holder of a fraudulent West African nation's seafarer license.
- Captain Art Bjorkner has joined VMSL as Senior Manager, Safety, Quality and Security.

#### 2006 CASUALTY HIGHLIGHTS:

There were a record number of casualty reports submitted in 2006. A few of the more significant incidents are highlighted here:

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- Offshore supply vessel: fire in a storeroom spread rapidly: vessel had to be abandoned. None
  of the SCBA's functioned properly. Housekeeping & preventative maintenance!
- Log carrier: while the crew was attempting to tighten lashings in heavy seas, a wave washed a
  young cadet overboard. He was never found. He was not wearing proper lifesaving equipment.
  Supervision!
- Cable layer: during personnel transfer with a "Billy Pugh" basket in heavy seas, one man fell
   10 meters into the sea and died. Job hazard analysis/assessment and communications!
- Fishing vessel: a fisherman was crushed when a winch failed and the boom fell. Lack of maintenance and poor supervision!
- Dive support vessel: on completion of a dive, a diver suffered symptoms of the bends and died during decompression. An autopsy revealed drug use.
- MODUs: in 2 separate incidents lifeboats dropped from their stowed positions, one resulting in injury to an AB. Supervision and seamanship!

#### LOOKING AHEAD TO 2007: REGISTRY NEWS AND REMINDERS:

- Vanuatu will be exhibiting at the Connecticut Maritime Association's "Shipping 2007" in March and the International Workboat show in New Orleans this December.
- Annual tonnage taxes are due no later than March 31, 2007.
- Report of Ship's Officers (Form A7) must be submitted immediately. For non-OSVs and non-fishing vessels, these reports are also due for each officer billet change.
- Vanuatu vessels may be boarded at any time by any port state authority or Vanuatu representative.
- Owners must notify VMSL 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, groundings, oil spills and near misses 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 GOCs (or higher).
- All ISPS "mandatory" vessels must hold valid ISSCs and have CSRs. Interim scheme vessels must comply with this requirement by July 1, 2008.
- CRAs will not be sent out unless seafarer applications are complete in all details. We do not
  process emailed or faxed applications and will not issue CRAs for them.
- The VMSL website now contains a section on the home page entitled "Document Processing
  Time" which will be updated at least weekly and which provides the current estimated time for
  processing seafarer document applications among other documents.

#### SOLAS CHAPTER V, Regulation 20, VOYAGE DATA RECORDERS (VDR):

(Previous provided information is repeated here)

The phase-in carriage requirements for a simplified VDR (SVDR) entered into force on 1 July 2006 as follows: cargo ships of 20,000 gt and above constructed before 1 July 2002, must be fitted with SVDR by the first scheduled dry-docking after 1 July 2006, but no later than 2009. Cargo ships of 3,000 gt

or above but less than 20,000 gt constructed before 1 July 2002 must be fitted with SVDR by the first scheduled dry-docking after 1 July 2007 but not later than 1 July 2010.

#### **ALCOHOL TEST KITS:**

Ships calling at US ports face a civil fine of up to \$5,000 a day if they are involved in marine causalities and do not have federally approved alcohol test kits onboard. The civil fine is prescribed in a new US law that took effect in June 2006 that makes it mandatory for shipowners/operators to ensure that any person onboard involved in "serious marine incidents" be tested within two (2) hours of the episode for alcohol, and within 32 hours for drugs.

#### BIMCO RELEASES GUIDE TO PREPARE FOR PORT STATE CONTROL IN THE US:

To enhance compliance with MARPOL and SOLAS requirements and reduce the frequency of related violations at US ports, BIMCO has made its Guide to Prepare for Port State Control Inspections in the USA available at <a href="https://www.bimco.org">www.bimco.org</a>.

#### IMO SHIP NUMBER - (All Vanuatu vessels including fishing vessels must have these!):

The IMO ship identification number scheme was introduced in 1987 through IMO resolution A.600 (15), as a measure to enhance ship safety and security. Its aim was to assign a permanent number to each ship for identification purposes. The number remains unchanged upon transfer of a ship to other flag(s) and is inserted in the ship's certificates. It became mandatory for all ships as of 1 January 1996. Shipbuilders/shipowners are encouraged to provide details of all new orders to Lloyd's Register-Fairplay (LRF) for assignment of the IMO number. Requests can be submitted at www.imonumbers.lrfairplay.com.

#### OPRC - HNS PROTOCOL:

The Protocol on Preparedness, Response and Co-operation to Pollution Incidents by Hazardous and Noxious Substances (HNS), 2000, enters into force 14 June 2007. Ships will be required to carry a shipboard pollution emergency plan to deal with incidents involving HNS.

#### ISM CODE AND MARINE ACCIDENTS:

Dr. Phil Anderson was invited by the UK Marine Accident Investigation Branch to write an article for their Safety Digest – "Lessons From Marine Accident Reports". In a section of the article Dr. Anderson wrote "that accidents or incidents cannot be investigated or analyzed in isolation from the requirements of the IMS Code". When reviewing an incident/casualty Dr. Anderson suggests considering the following questions be asked:

- "Do you think the incident was a result of a non-compliance with some specific section of the ISM Code?"
- "Which specific section(s) of the Code did you identify?"
- "To what extend was the accident a result of a failure of a typical SMS?"
- "What failures of SMS can you identify?"
- "What procedure should have been in place in the SMS which might have helped prevent the particular incident from happening?"
- "What could be done by way of corrective action to tighten up the SMS to ensure that the chances of the incident being repeated are reduced to a minimum."

These questions should be considered when analyzing an incident and in keeping with ISM and SMS by managing safety aboard vessels.

#### MARPOL ANNEX IV - SEWAGE:

Annex IV requirements entered into force on 27 September 2003 and has an immediate effect on all new ships of 400 gt and above and new ships of less than 400 gt which are certified to carry more than 15 persons. It applies to existing ships of 400 gt and above and to ships of less than 400 gt and above but certified to carry more than 15 persons five years after the date of entry into force. A revision to Annex IV entered into force 1 August 2005. The discharge of sewage into the sea is prohibited, except when the ship has an approved sewage treatment plant in operation or is discharging comminuted and disinfected sewage using an approved system at a distance of more than three nautical miles from the

nearest land; or is discharging sewage which is not comminuted or disinfected at a distance of more than

12 nautical miles from the nearest land. It applies to new ships of 400 gt and above or which are

certified to carry more than 15 persons. Existing ships are required to comply with the provisions of the

revised Annex IV by 1 August 2010. The Annex requires ships to be equipped with either a sewage

treatment plant or a sewage comminuting and disinfecting system or a sewage holding tank. In addition

there shall be a pipeline and relevant shore connection flanges for discharging sewage to port reception

facilities.

LIFEBOAT INSPECTIONS:

The IMO MSC.1/Circ.1206 on measures to prevent accidents with lifeboats has been made non-

mandatory. MSC has agreed to refer the circular to the Design and Equipment (DE) Sub-Committee

for detailed consideration and advice, in order that the final decision of MSC can become effective by

2010 at the latest.

OTHER:

I've included the following as annexes: a complete list of EPIRB alerts in the year; a list of the vessels detained during 2006; a comparison of our fleet safety statistics for the last several years; and an

analysis of the 2006 casualties by specific category.

Please review these attachments and note where improvements need to be made.

Best regards,

Donald J. Sheetz

**Executive Vice President** 

Encl:

(1) EPIRB Alerts

(2) Ship's Detained in 2006

(3) Casualty Statistics

(4) Analysis of 2006 Casualties by Category

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Website: www.vanuatuships.com

Email: email@vanuatuships.com

### ANNEX 1

## 2006 EPIRB ALERTS

		Date			Date
06EPIRB001	GSF Baltic	1/3/06	06EPIRB002	Ostertor	1/3/06
06EPIRB003	Niugini 101 (Del)	1,8,06	06EPIRB004	GSF High Island IX	1/14/06
06EPIRB005	Niugini 101 (Del)	1 1 5 106	06EPIRB006	C80E4221B8001AD *	1 1 8 106
06EPIRB007	Sun Tide	1/20/06	06EPIF	RB008 Crimson Neptur	ne
1/30/	06				
06EPIRB009	Niugini 101 (Del)	1,31,06	06EPIRB010	Feeder I (Del)	2/1/06

06EPIRB011	Acacia Ace	2/13/06	06EPIRB01	2 C80D411F0C001AD *				
2/26/0	6							
06RPIRB013	HENG FA 168	2/28/06	06EPIRB01	4 GSF RIG 105				
3/7/0	06							
06EPIRB015	Gulf Singa	4/29/06	06EPIRB01	6 GSF DD II				
5/3/06								
06EPIRB017	Miss Frieda (Del) (2)	5,6 & 5,9,06	06EPIRB018 GS	F Arctic II 6/14/06				
06EPIRB019	Carline Tide	6/25/06	06EPIRB02	CO Crimson Neptune				
7/4/0	06							
06EPIRB021	Eket Service	8/22/06	06EPIRB02	22 Eket Service				
				8				
				/26/06				
06EPIRB023	C80C6A5BFB9C2FB *	9/1/06	06EPIRB024 KC	H JIN				
				1				
				0/22/06				
06EPIRB025	GSF Arctic IV	12/17/06	06EPIRB026 Ge	co Snapper				
				1				
				2/28/06				

Del = vessel had been long deleted from the registry.

\* = Unknown ship with mis-coded EPIRB

## ANNEX 2

## 2006 Port State Control Detentions

Vessel	Port	Date					
Canyon Horizon	Port Arthur, Texas	2/14/06					
Grace	Turkey	6/27/06					
Kon Jin	Tampa, Florida	11/25/06					

Note: Each vessel was fined for failure to comply with international requirements.

January 12, 2006

ANNEX 3

# Vanuatu Safety Record Fleet Casualty Statistics 1991 Through 2006

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Casualty Type																
FIRES/EXPLOSIONS	5	2	3	1	4	4	1	0	2	4	1	3	1	2	7	2
LOSS OR DAMAGE (Heavy Weather)	2	0	4	2	0	1	0	0	0	0	0	1	0	3	2	1
COLLISIONS, (Allisions, Touchings)	9	7	3	8	4	7	7	3	2	3	3	3	16	5	5	8
GROUNDING (Touching Bottom)	2	3	3	2	1	2	3	2	3	3	3	5	8	8	6	2
MATERIAL or EQUIPMENT FAILURE	7	5	7	3	2	2	2	2	1	0	0	5	2	6	0	1
OTHER (Including abandonment)	2	1	1	0	1	1	4	1	1	2	6	1	1	4	1	9
DEATH Incidents (not included	5	1	1	5	3	2	1	2	4	2	3	11	10	11	5	7
SERIOUS INJURY INCIDENTS	0	0	3	5	3	5	1	4	5	5	5	11	18	7	9	25
NON-SERIOUS INJURY INCIDENTS	0	3	2	1	2	0	0	0	0	1	0	0	0	0	0	0
TOTAL ALL INCIDENTS	32	22	27	27	20	24	19	14	18	20	21	40	56	46	35	55
land of the state of the state of	0	0	0	7	40	_	7	_	40	0	0	_	0	45	0	0
Investigations Initiated	3	2	8	1	10	5	/	5	12	8	8	5	9	15	8	8
VESSEL LOSSES:																
Vessels (not yachts or fishing vessels)	0	0	0	0	0	1	1	0	0	1	0	0	0	3	1	1
Yachts	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0
Fishing Vessels	1	0	1	0	1	0	2	0	0	0	3	1	1	3	0	0
DEATHS:																
Occupational safety related	2	4	1	5	4	0	4	4	2	2	0	0	6	11	3	3
Casualty related	0	0	0	0	1	4	0	0	0	0	0	0	0	0	0	0
Natural cause, suicides, other	4	0	0	1	2	2	0	1	2	0	3	12	4	3	3	5
TOTAL	6	1	1	6	4	6	1	2	4	2	3	12	10	14	<u></u>	8
TOTAL	O		'	O	4	O	1	۷	4	۷	3	12	10	14	O	0
Number of Persons Injured:																
Serious	0	0	4	5	3	5	1	4	5	5	5	11	18	8	9	26
Non-serious	0	3	2	1	2	0	0	2	0	1	0	0	0	0	0	0

January 12, 2006