

**The U.S. Coast Guard's Efforts
addressing Substandard Shipping
submitted by
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I. Background

Substandard shipping is a worldwide concern, and the U. S. Port State Control (PSC) program is designed to eliminate substandard, foreign-flagged vessels from U.S. waters. PSC began in earnest in the U.S. in the early 70's, with the passage of the Federal Water Pollution Control Act. (These comprehensive pollution prevention regulations applied to all vessels that used U.S. waters, and more in-depth examinations of foreign-flagged tank ships began after the passage of the Port and Tanker Safety Act of 1978). After the grounding of the EXXON VALDEZ in 1989, more extensive regulations were implemented to include double hull requirements, vessel response plans and certificates of financial responsibility. From the 1970's to 1994, most examinations of non-U.S. flagged vessels were to verify compliance with U.S. regulations, and only in the most extreme circumstances were vessels examined for compliance with international Conventions. The U.S. relied heavily on Flag States to ensure that vessels were in compliance with international standards, an assumption that became increasingly problematic as the profile of the world's fleet changed.

Because of a steady decrease in the number of U.S. flagged vessels engaged in international trade, and an increase in the number of non-U.S. flagged vessels visiting U.S. waters throughout the last 25 years, the U.S. has become a Port State. Non-U.S. flagged vessels carry more than 90% of the international commercial freight arriving or departing the U.S., and in 1999, over 50,000 port calls were made by 7600 unique vessels from 92 different Flag States. As a comparison, there are approximately 375 U.S. flagged vessels over 1000 gross tons engaged in international trade. Considering the reduced size of the U.S. international merchant fleet, the greatest potential threat to U.S. ports and waterways now comes from foreign-flagged vessels.

Therefore, in 1994, the U.S. expanded its PSC efforts with increased personnel, improved training, and more detailed policy guidance, including standardized PSC examination checklists, for foreign vessel boardings. Since the program's expansion six years ago, 39 different Coast Guard field offices have examined over 60,000 foreign-flagged vessels. These field offices are commanded by Captain of the Ports (COTPs), with regulatory authority to order vessels to operate or anchor as directed when vessels are not in compliance with U.S. or international regulations, or because of weather, visibility, sea conditions, port congestion, hazardous conditions, or the unsafe condition of a vessel. Each foreign-flagged vessel is assessed for its potential risk when it arrives in U.S. waters, and the COTPs ensure that the highest risk vessels are examined for compliance with U.S. safety and pollution prevention regulations, and all applicable international Conventions, including SOLAS, MARPOL, ILLC, STCW and ILO 147.

To standardize the foreign vessel risk assessment process, we developed a vessel targeting system. This targeting system was developed by identifying 5 separate factors that impact vessel safety: vessel owner, Flag State, classification society, boarding and casualty history, and ship type. Points are assigned in each category and a numerical score is assigned to each

vessel. This score, along with other over-riding factors, helps the COTP determine which ships to board in any given day. There are no quotas assigned to the COTPs; only the highest risk vessels must be examined.

The targeting matrix is shown below.

PSC Targeting Matrix				
<u>OWNER</u>	<u>FLAG</u>	<u>CLASS</u>	<u>HISTORY</u>	<u>SHIP TYPE</u>
5 Points Listed Owner or Operator	7 Points Listed Flag State	Priority 1 ≥10 arrivals with detention ratio more than 4 times the average OR <10 arrivals and involved with at least one detention in the previous 3 years 5 Points ≥10 arrivals with a detention ratio between 3 & 4 times the average 3 Points ≥ 10 arrivals with a detention ratio between 2 & 3 times the average 1 Point ≥10 arrivals with a detention ratio between the average & twice the average 0 Points ≥10 arrivals with a detention ratio below the average OR <10 arrivals with no detentions in the previous 3	5 Points Ea. Detention within the previous 12 months 1 Point Ea. Other operational control within the previous 12 months 1 Point Ea. Casualty within the previous 12 months 1 Point Ea. Violation within the previous 12 months	1 Point Oil or Chemical Tanker 1 Point Gas Carrier 2 Points Bulk freighter over 10 years old 1 Point Passenger Ship 2 Points Carrying low value commodities in bulk

A vessel will receive 5 points in the matrix, if it is owned or operated by a company on the Coast Guard's targeted owner list. The targeted Owners list is comprised of the owners or operators of vessels that have had more than one vessel detained in the U.S. within the last twelve months. This list is updated monthly and distributed to all Coast Guard COTPs, and also published on the Internet at www.uscg.mil/hq/g-m/psc/psc.htm.

A vessel will receive 7 points in the matrix if it is registered with a flag State on the Coast Guard targeted flag State list. The targeted Flag list is comprised of those flag States whose detention ratio exceeds the average detention ratio for all flag States whose vessels call at U.S. ports.

A flag State's detention ratio is computed by dividing the number of its ships which have been detained in the last three years by the total number of its ships which have called at U.S. ports within the same period. For example, if a flag State has had 3 of its ships detained during the last three years, and a total of 60 ships visited U.S. waters in the same period, the detention ratio would be: $3 / 60 \times 100\% = 5\%$.

The average detention ratio for all flag States is computed by dividing the total number of detentions by the number of total distinct arrivals, for the last three years. The targeted flag list is updated annually on 1 April and remains in effect for the following twelve months.

A vessel will also receive points in the matrix, depending on the ranking of their class society on our targeted list. The targeted class list is developed by evaluating class performance over the previous three years. Their class-related detention ratios are compared to the average class-related detention ratio and points are assigned as follows:

- .1 below the average detention ratio = 0 points

- .2 between the average and 2 times the average = 1 point
- .3 between 2 times and 3 times the average = 3 points
- .4 between 3 times and 4 times the average = 5 points
- .5 more than 4 times the average = designation as Priority I boarding

A vessel will also receive points depending upon the vessel's history of violations, casualties and control actions while in the U.S. The final consideration for the calculation of points is vessel type. The risk assessment methodology also recognizes that certain types of ships pose an inherently higher risk to our ports and waterways. These vessel types include: oil and chemical tankers, gas carriers, passenger ships, bulk carriers more than ten years old, and any vessel carrying low value commodities in bulk.

The targeting matrix is an example of an effective tool for exercising Port State Control authority. The targeting matrix and the information required to use it are widely published. The prioritization determination is not done in secrecy and is based on key elements, one of which is past vessel performance. It is our belief that the targeting matrix accurately identifies substandard registries, companies and class societies and enables our field units to board those vessels that need the additional scrutiny.

Another feature of the U.S. PSC program is the case review and appeal process. The Office of Compliance in Washington reviews each detention case received from the field offices around the country. First, a determination is made as to whether the detained vessel was substandard. Secondly, if a classification society surveyed the vessel on behalf of the flag State, a determination will also be made as to whether the class society performed this function responsibly. The determination to associate a class society with a detention is made using the criteria below:

- Voyage damage will not be associated with a classification society non-conformity unless other class related deficiencies are noted during the course of the damage survey.
- Class non-conformities will only be associated with equipment covered by a survey, conducted by classification society, or in which the classification society has issued the certificate on behalf of the flag State.
- When multiple deficiencies are noted, **only those deficiencies serious enough to justify detention** will be evaluated to determine classification society non-conformities.
- Outdated equipment, when the cause of a detention, will not be associated with a class non-conformity unless the equipment was outdated at the time of the last survey conducted by the classification society on behalf of the flag State.
- The absence of highly pilferable equipment such as fire hose nozzles, fire extinguishers, etc. will generally not be listed as a classification society non-conformity unless a large number is missing and it is **within 90 days** of the last survey by the classification society on behalf of the flag State.
- Expired certificates will not be associated with a classification society non-conformity unless the certificates were not endorsed or were improperly issued by the classification society when they conducted the last survey on behalf of the flag State.

- Detentions based on crewing issues, whether conducted in accordance with SOLAS or STCW will not be listed as class non-conformities.
- A **time limit of 90 days** will generally be placed on associating non-conformities with equipment failures (i.e. non-operational fire-pumps, emergency generators, etc.) unless it is apparent that the deficiency was long standing.
- Serious wastage or other structural deficiencies **not caused by voyage damage** will be listed as a classification society non-conformity.

All detentions are also subject to appeal. Relevant parties are notified of the detention and, in accordance with 46 CFR 1.03, any party affected by the decision of the Captain of the Port (COTP) may appeal that decision. This case review and appeal system ensures that our vessel detentions are equitable and consistent.

II. Trends

Over the past several years, two recent significant trends have emerged under the U.S. PSC program. Both the number of class-related detentions and the overall number of detentions have been steadily decreasing. These trends are further described below.

Given the vital role that classification societies play in shipping, their performance with regard to PSC is assessed via the targeting matrix. As the table below shows, many, but not all detentions are associated with classification societies.

Year	Number of class related detentions	Number of detentions	Percentage
1996	176	476	37
1997	104	547	19
1998	54	373	14
1999	36	257	14

The downward trend of class society related detentions is promising, and demonstrates that the performance of the classification societies, from the U.S. perspective, is improving. Many classification societies meet with the staff of the Office of Compliance annually to discuss policies and exchange information. This enhanced relationship has led to a better understanding for both parties.

The number of detentions imposed on foreign-flagged vessels has also decreased since the expansion of our PSC program in 1994, as the table below indicates.

Year	Detentions	Distinct arrivals	% Change from previous year
1994	275	7,735	-
1995	514	7,846	+86
1996	476	7,608	-08
1997	547	7,686	+15
1998	373	7,880	-32
1999	257	7,617	-31
2000	94 (as of June 30) 188 projected	-	-27

The increase in vessel detentions from 1994-1997 is attributable to several factors. In 1994 and 1995, the rapid rise in detentions was due to the expansion of our PSC program. In 1996, PSCOs began to evaluate fire and lifeboat drills for the first time. In 1997, provisions under STCW 95, such as rest hours, crew familiarization, English proficiency and flag State endorsements on certificates began to be examined. The number of detentions in 1996 and 1997 increased primarily due to failed emergency drills. Since 1997, the number of detentions has decreased dramatically and continues to do so.

There are multiple factors that could be influencing the decrease in the number of overall detentions. Isolation of one or two factors is difficult and it is unclear if any single factor can explain this decrease. Some believe that the International Safety Management Code and STCW 95 are responsible for this decrease. Only more time and data will verify if either is true. The ISM Code and other initiatives are addressed in the next section.

III. On-Going and Future Initiatives and Programs

Several important international and national efforts aimed at combating substandard ships have recently been implemented. The U.S. believes these initiatives are particularly instrumental in addressing substandard ships.

International Safety Management (ISM) Code

The ISM Code is particularly important for two reasons. First it puts the responsibility of ensuring that ships are operated in a safe manner on the management of a specific company rather than just on the crew. Secondly, it is focused on the operational policies and procedures of a company and its vessels, rather than solely on the equipment. This shift in emphasis is essential to ensuring improvements in safety aboard vessels. Accountability for vessel safety is clearly delineated and all the elements for a safe vessel are tied together. This clarity is invaluable, and allows port States to properly exercise their control authority and direct the control actions to the appropriate parties.

The U.S. incorporated into law Chapter IX of SOLAS that all vessels in U.S. waters, subject to SOLAS, must be in full compliance with the ISM Code. Implementing regulations for ISM Code enforcement were finalized in early January 1998 and the U.S. Coast Guard began strict enforcement of the ISM Code on U.S. vessels in international trade and on foreign vessels calling at U.S. ports in July of 1998.

As of June 30, 2000, the U.S. has detained forty-two vessels for ISM-related deficiencies, and eleven of the detained vessels were ordered out of U.S. waters due to at least one major non-conformity under the ISM Code. While all eleven held ISM certification, the initial certification was called into question. The most common problems included: Masters and Chief Engineers were unfamiliar with the Safety Management Systems (SMS), insufficient maintenance performed on vital safety equipment, or the SMSs had not been effectively implemented. Our zero tolerance enforcement posture for the ISM Code should limit the number of these substandard vessels that attempt to trade in U.S. waters, as these vessels will not be allowed into U.S. waters again until they can demonstrate compliance. Vessels that do not possess valid ISM certificates are prohibited from trading in the U.S. (The ISM non-compliance for these eleven vessels has been reported to the major Port State Control MOU regimes, and we have posted these vessel names on our Internet site, which is often used by potential charterers).

Despite the problems identified, the implementation of Phase I of the ISM Code was smoother than anticipated. However, we fully expect that port States will continue to find vessels and operators which have problems with the ISM Code. The low number of ISM detentions in the U.S. should not be interpreted as a softening of the U.S. enforcement posture. To the contrary, even vessels which have successfully passed PSC exams will continue to be boarded and ISM will continue to be an integral part of our boardings. It is obvious that ISM certification is not a guarantee of compliance. Those vessels which had deficiencies identified from previous boardings will be particularly scrutinized to ensure that their SMS is continuing to work as advertised.

Looking ahead to the implementation of Phase II of ISM, the Coast Guard will once again require that all applicable vessels provide their ISM Code certificate information prior to their arrival to U.S. ports starting on January 1, 2002, six months prior to the ISM Code implementation deadline. The information required will include the issue dates for both the Safety Management Certificate (SMC) and for the Document of Compliance (DOC) as well as the name of the flag State or the Recognized Organization which issued these certificates. This information will be entered into the Coast Guard's database in order for our COTPs to track the compliance of ISM applicable vessels. Concurrently, we also plan to conduct pre-compliance boardings during the normal course of our PSC program in order to verify the status of compliance with the ISM Code. Vessels which are not yet ISM certificated, will be issued letters which are simply intended to remind the operators of the impending deadline and to reinforce our zero tolerance posture towards ISM compliance. These letters are solely informational and are in no way punitive. Phase II vessels will not be detained, nor will civil penalties be issued for ISM deficiencies, during this six month pre-compliance period.

International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as amended in 1995 (STCW 95)

Another Convention which has had a significant impact on the quality of worldwide shipping is STCW. This convention is important because, like the ISM Code, it has shifted the responsibility for compliance towards the company. STCW 95 addresses the competency of the crewmembers and requires flag Administrations to ensure that their crews are adequately trained and certified. Once again, the accountability and responsibility is more clearly defined.

The U.S. Coast Guard assesses compliance with STCW as a part of its PSC examinations. PSCOs review officers' licenses and crew members' certifications to ensure that the requirements of a vessel's Safe Manning Document are met. PSCOs also review posted watch schedules, to determine if watchkeeping personnel are working on a schedule which normally provides the required 10 hours of rest, taking into account appropriate deviations permitted under Regulation VIII/1, Fitness for Duty. If watchkeeping personnel are not routinely provided adequate rest, or if the personnel assigned to the first watch at the commencement of a voyage are not adequately rested, the vessel will be detained until the deficiency is corrected.

Although concerted STCW enforcement is relatively new, problems have already been noted, particularly with regard to crew competency and licensing. The U.S. has enforced STCW 95 for the past three years. During that time, there have been thirty-five vessel detentions involving STCW related deficiencies. Although STCW does not get the worldwide attention that the ISM Code has, STCW enforcement will remain a top priority of the U.S. PSC boarding program. Enforcement of STCW is an effective tool for ensuring vessels are meeting standards, and is

another example of a shift away from equipment and systems-based inspections to a focus on the processes.

Transparency of Information

The differing levels of competence and care with which key elements of the maritime safety net exercise their role has resulted in the need for better access to international information generated by various entities. The movement towards better access to information, particularly between port States is beneficial because it enables the relevant parties to make better-informed decisions. It is therefore, extremely important that the information is accurate, current and reliable.

EQUASIS

One of the most useful and far reaching of these tools designed to provide this improved information transparency to any interested party is the European Quality Shipping Information System (EQUASIS). EQUASIS is a joint venture between the European Commission and France initiated to provide a single source of safety-related information on commercial shipping from both public and private sectors. It is operated by public authorities to promote quality in shipping by providing real time, accurate information with regard to the shipping industry. In order to make this initiative a reality, the U.S. signed a Memorandum of Understanding (MOU) with other various nations and the database was launched over the Internet in May 2000. Various nations, class societies, industry and insurance companies provide the information. Interested parties can obtain vessel information such as reports from past PSC exams, name and flag changes, managing owners and other information. The U.S. maintains membership on the EQUASIS Editorial Board, whose job it is to ensure the integrity of the information in the database. While this information will likely prove to be extremely valuable for all PSC programs, we want to ensure that we make the best use of this information. Therefore, it is critical that port States develop well thought out policy with regard to integration of external data into risk-based targeting decisions.

Information sharing

In order to improve information sharing, we are continuing to improve cooperation and harmonization with other PSC authorities. Information on vessels not in compliance with the ISM Code is already being exchanged with the regional MOUs. We have also developed a mutual information exchange with Transport Canada. Transport Canada will soon have ready access to our Marine Safety Information System (MSIS).

The Coast Guard is currently exploring options for online or other data exchange modalities. Limited information on U.S. PSC examinations/detentions is currently available through the Internet. Detentions and other information are posted on the USCG's PSC Website (www.uscg.mil/hq/g-m/psc/psc.htm) which was created in 1996. Enhancements of this information source include the addition of a search engine that allows a user to search for a specific vessel or detention. The major drawback of this information source is that it is limited to detentions only; information on deficiencies discovered during other PSC examinations is unavailable from this database.

A second source of information is the Port Safety Information Exchange (PSIX). This system, which was recently placed on the Internet, provides historical information on USCG examinations of foreign vessels taken from MSIS. It is updated on a quarterly basis, preventing access to foreign vessel examination information from up to three months prior to a search.

Although increased access to all PSC information is currently limited by hardware and software application limitations, the Coast Guard is continually working to enhance information availability.

Major improvements with the Coast Guard's database will come with the establishment of the Marine Information for Safety and Law Enforcement (MISLE) slated for launching in April 2001. This new system will replace the current MSIS (which was designed to manage primarily U.S. flag vessel inspections). MISLE will integrate the information currently available in the separate MSIS and PSC detention databases and make it easier to capture critical data elements. Only through continued efforts at sharing detailed vessel and company information can substandard shipping be addressed adequately by PSC regimes on a global level.

IMO Subcommittee on Flag State Implementation (FSI)

Through the IMO's Flag State Implementation (FSI) Committee meetings, the U.S. is participating in an Inter-Sessional Correspondence Group. The overall purpose of the group is to seek ways in which flag States can improve various aspects of PSC. Some areas the group is reviewing include the consolidation of the reporting of detentions by the MOUs, the adoption of common coding systems for deficiencies, and detention data analysis. These ideas are vital to a legitimate PSC program.

Another major emphasis of this group is flag State self-assessment. Self-assessment is a voluntary process intended to strengthen the role of the flag State, whereby each flag State completes the self-assessment form, and performs an initial analysis to determine where improvement is necessary. Then, the flag State sets a goal for its fleet, and develops a plan to achieve that goal. The subcommittee agreed on a list of criteria and a series of performance indicators by which flag State performance could be measured when complying with the recommendations contained in IMO Assembly resolutions A.847(20) *Guidelines to assist flag States in the implementation of IMO instruments* and A.881(21) *Self-assessment of flag State performance*.

Resolution A.881(21) includes a flag State Performance Self-Assessment Form, which is intended for use by flag States on a voluntary basis to obtain a clear picture of how well their administrations are functioning and to assess their performance as flag States.

Resolution A.881(21) invites governments to submit a copy of their self-assessment report in order to enable the establishment of a database which would assist IMO in its efforts to achieve consistent and effective implementation of IMO instruments.

The U.S. believes that flag State self-assessment is necessary and long overdue. It will provide Administrations with a tool by which to measure their progress in establishing or maintaining proper flag State procedures. In addition, sharing of this information will aid in the identification of best practices.

A status report from the Inter-Sessional Correspondence Group will be submitted at the next FSI meeting scheduled in February 2001. Many flag States, including the U.S., have submitted their self-assessments to the IMO. The U.S. self-assessment can be found online at <http://www.uscg.mil/hq/g-m/psc/miscpages/flagstates.pdf>.

Regional PSC MOU participation

Effective PSC program can be found in many areas around the world. The U.S. Coast Guard supports regional MOU efforts. The U.S. participates in the international PSC meetings such as

the Port State Control Workshop for MOU Secretaries and Directors of Information Centers held at the IMO this past June. This workshop addressed topics such as Harmonization and Coordination of PSC Procedures, Technical Cooperation and Exchange of Information. Also, the Commanding Officers of the Coast Guard Marine Inspection Offices (MIO) in Japan and in Rotterdam regularly attend the Tokyo and Paris MOU meetings respectively.

Targeting of Charterers and Cargo Owners

An integral part of our Port State Control program is the identification of vessels that pose the highest risk to U.S. waters. This is accomplished with our risk-targeting matrix that was discussed earlier. While we consider the vessel owner or operator in our targeting scheme, we do not consider charterers or cargo owners. There has been considerable discussion about the influence that charterers and cargo owners can exert on the quality of shipping, and the Netherlands Ministry of Transport recently sponsored a study that indicates that the expense of operating a substandard vessel is 14% less than the expense of operating a compliant vessel. This raises the possibility that charterers and cargo owners may select vessels for hire which are non-compliant, because their charter rates are lower. However, we do not currently have enough information about charterers or cargo owners to amend our targeting scheme, primarily because we do not currently collect this information from vessels.

Therefore, the Coast Guard is requesting comments about charterers and cargo owners, through a notice published in the Federal Register on August 18, 2000 (docket number USCG-2000-7796). We hope to improve our understanding of the influence that charterers and cargo owners have in quality shipping, and we may amend our vessel notification of arrival requirements, after analyzing the comments received through this notice.

Quality Shipping Incentives

In our efforts to eliminate substandard shipping, we have primarily focused our energies on improved methods to identify poor quality vessels (targeting schemes), and to enforce compliance with international and U.S. standards. While we may never eliminate substandard shipping, we have seen quality improving substantially over the last 6 years. Hundreds, perhaps thousands, of vessels are operated responsibly, and are typically found with few or no deficiencies. We should reward those quality-operated vessels, and provide an incentive to encourage quality operations. Therefore, the U.S. will be implementing a quality ship identification and incentive initiative soon.

By closely examining PSC data from the previous 5 years, we have tentatively defined the typical "Quality" vessel as one which meets the following criteria:

1. A vessel that has not been detained, and determined to be substandard, in U.S. waters within the previous 36 months;
2. A vessel with no marine violations, serious or major marine casualties, and no more than 1 ticket in U.S. waters within the previous 36 months;
3. A vessel that has completed a successful U.S. PSC exam within the previous 12 months;
4. A vessel that is owned or operated by a company that has not been associated with any vessel detentions in U.S. waters with the previous 24 months;
5. A vessel that is classed by, or had their statutory Convention Certificates issued by, a non-targeted class society; and
6. A vessel that is registered with a flag State that has a PSC detention ratio of no more than ¼ of the overall detention ratio.

In addition to the above criteria, the vessel must be registered with a flag State that has submitted a self-assessment to the IMO, and shared it with the U.S. Flag State performance can be substantially improved through the self-assessment process. Using the criteria above, approximately 8% of all vessels that call on U.S. ports would be considered quality ships.

Port States can reward a Quality vessel in many ways, and therefore encourage other vessels to strive for quality designation. Possible incentives are:

1. Issue a Certificate to the vessel, to recognize their accomplishment;
2. Publish the vessel's name on a list that the entire industry will see (e.g., on the Port State's PSC web site);
3. Reduce the frequency of Port State Control exams; and
4. Where possible, reduce port fees.

Conclusion

It is the goal of the U.S. Coast Guard to eliminate substandard ships from operating in U.S. waters. In order to ensure that our PSC program remains viable and can successfully accomplish this challenging goal, the Coast Guard must continuously monitor the program and develop new initiatives, such as Quality Shipping and the targeting of charterers.

The credibility and success of the U.S. PSC program is based on an open, risk-based system. All of the relevant players in the industry, whether they are owners/operators, classification societies, or flag Administrations are well aware of the criteria used to target the various entities. Our regulations and screening criteria are published. Companies have electronic access to our PSC examination checklists and various policies such as the Marine Safety Manual and Navigation and Vessel Inspection Circulars (NVICs) are widely available. In addition to the availability of information, we have an appeal process which is available to any vessel, and is carried out in a fair manner.

Information transparency will increasingly become a key element of successful Port State Control at an international level. The U.S. has played an integral part in the development of the EQUASIS system and continues to seek new ways to expand upon the "Transparency of Information" movement. The U.S. also continues its strong support of the IMO and the regional PSC regimes through its participation at the various meetings.

The U.S. Coast Guard recognizes that our PSC program is one of many that operate internationally. The strength and success of every PSC program, internationally, is essential if substandard vessels are to be eliminated. To this end, the U.S. Coast Guard will continue to actively support the regional PSC bodies. Issues that are best resolved at the international level, such as information transparency, will continue to be addressed through forums such as FSI.

While the U.S. Coast Guard PSC program is working well, the possibility of adding charterers to the targeting matrix is one example of how we are fine tuning the system. Identification of substandard vessels and accountability of those responsible is an important goal of our program. Equally important is the identification of those responsible for operating quality vessels. They should be recognized and rewarded for contributing to safety and to the quality of shipping.