

E ditorial

Keep it simple the saying goes. This comes to mind when we see the accumulation of reports, emails and information arriving on our desks and the routines and systems we are imposing on ourselves as well as being asked to implement.

In horisontal organisations the cc function becomes a religion and mantra with the intent to keep everyone informed and updated. Naturally, we share this objective but we need to balance the time and the costs necessary to maintain an open and truly shared information base within our organisation.

The caveat to this information overflow is dilution of responsibilities and vagueness in our executions and priorities. The latter is a development that we cannot accept. Therefore, we should periodically review the necessities of reports and information sharing helping us to shift our minds to what is really important to excel in our work.

Therefore, we not only desire to Keep It Simple we also wish do to *First Things First and to Work Smarter and not necessarily Harder*. Reflect over this while you are having some moments off and enjoying your summer breaks this season.

Personal Regards

Aage Thoen

Chief Executive Officer



S ecurity at Sea after 9/11

(Nigel D. Cleave, Dobson Fleet Management Ltd.)

Following the 11 September 2001 events in New York, development of an *International Ship and Port Facility Security Code (ISPS Code)* was duly adopted by IMO in record time. In effect, this substantially amends Chapter 11 of SOLAS, which will become mandatory for all vessels of 300 GT and upwards on 1 July 2004. Thereafter, every vessel will be required to carry a *Ship Security Plan* and hold the seventh SOLAS certificate, namely, the *International Ship Security Certificate*.

Compared with the normal pace of implementation, the timeframe upon which to comply with these new regulations is indeed short. Within the

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T he ISPS Code - a new challenge

The International Ship and Port Facility Security (ISPS) Code, taking effect on 1 July 2004 represents a new challenge to the whole maritime industry. IUM Shipmanagement AS will as a DOC holder (Document of Compliance holder) be responsible to have the vessels certified by them in accordance with the Code prior to this date. As a step towards this, security procedures in accordance with the US "Customs Trade Partnership Against Terrorism" (US-CTPAT) was implemented in January 2003.



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S ecurity Act

(Steven D. Poulin,
Commander, USCG)



On November 25, 2002, President Bush enacted the *Maritime Transportation Security Act of 2002 (MTSA)*. This legislation requires the Secretary of the department in which the Coast Guard is operating to implement regulations that provide a comprehensive aegis for maritime security. The Coast Guard is the primary federal agency developing these regulations and will similarly have primary enforcement responsibility for them. The regulations will not only carry out the intent

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T undra King visiting Drammen

We were proud of being a part of the STAR Reefers-family when we entered the gangway of MV Tundra King early May while the ship was discharging apples in Drammen. The appearance of the ship was very nice, and this was also commented by the about 40 guests who were attending the nice reception held onboard by STAR Reefers. "Today's reefer design will be something different, but the maintenance and the tidiness should be like this" – commented a well experienced shipping professional.

Mr. Thoen expressed with regard to mainte-

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Security at Sea after 9/11 (Continued from page 1)

next 12 months, Flag Administrations will be required to review and approve all plans and certificates issued either directly by them or on their behalf. This will also entail a major change of attitude and thinking among most of the shipping community.

So what must be done?

Currently there exists a certain degree of confusion, in so far as many still believe that the USCG requirements will differ greatly from those demanded by IMO. Talk can be heard of OPA 90 style Qualified Individuals being required for US bound ships, impressive technical hardware requirements and widespread use of shore security personnel. The fact remains that IMO and the USCG are very much in line with each other in their overall expectations.

In practical terms, it will need to be clearly demonstrated that the ship and her crew are fully aware of security procedures and are taking the necessary precautions to control access and monitor the ship and her immediate surroundings. Naturally, common sense prevails here and will include, but not be limited to the following:

- Control access to the ship, post security details at gangway heads or ramps,
- identify all visitors and crew,
- use simple picture ID cards for crew, issue special visitor badges on presentation of picture ID,
- sign people on and off the ship – including crew going ashore,
- perform a thorough search according to prepared plans using all crew with each signing responsibility for his assigned area,
- check stores are legitimate and in accordance with delivery notes and managers advice – inspect on the quay before loading,
- keep stores and other spaces locked in port when not in use,
- have clear records of which keys operate what locks and who holds those keys and
- make use of seals, container or paper, to monitor the integrity of locked spaces – a broken seal demands a thorough search

A Ship Security Officer (SSO) will be appointed on board each ship, who will advise the Captain of security related matters and initiate shipboard plans to increase security measures on board. This has always to be in accordance with the instructions of the Captain who remains the ultimate authority on board.

Following suitable training, the SSO will develop and train his on board security team in accordance with the provisions of the Ship Security Plan. The SSO will work closely with the Com-

pany Security Officer, who is appointed in the shore organization, and the Port Facility Officer designated at each port of call. Full records will need to be kept of all interactions with company and port security organisations.

Before a Ship Security Plan can be produced, each ship or class of ships must undergo a security survey. This will identify just how security is currently managed onboard, any weaknesses noted and also recommendations to improve same. With the assessment completed the Plan will be fine tuned and, thereafter, issued to the ship. It is at this point that the most intensive part of implementing the ISPS Code will commence, namely, training of crew in security awareness in both a disciplined and methodical manner.

The challenge for the ISPS Code to be a success, is that all crew will have to be motivated and accept why they have to lock storeroom doors behind them, carry picture ID on a ship they are serving on and why the stores have to be carefully inspected on the quay prior to loading on board, to name a few.

Said about us

”The uplift of the vessel is entirely the team spirit of the crew who definitely have put in much more than what was required of them”

Capt. Ashley Hyams, MV Swan Stream

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The ISPS Code—A new challenge

“We have through the years implemented several new Regulations, Codes and regimes onboard and throughout our organisation.” says Arvid Stiansen Volden who is QA/Safety Manager in IUM. “The main challenge this time is the very limited time available before the deadline. This is fortunately enough acknowledged by IMO which in writing expresses and shares our main worries that relates to the available resources, missing standards for training and certification of Authorities, personnel as well as certification of equipment.” He continues. “IUM is already well in the process”, Volden continues. “Our Marine Superintendents have all been appointed and trained as Company Security Officers. The position as Ship Security Officer has been appointed, and we are in the process of evaluating training courses. The first Ship Security Assessments (SSA) has been carried out. Based on these, the draft Ship Security Plans (SSP) are days ready for reviewing by a Recognised Security Organisation (RSO).”

The shipmanagement company located on the southern coast of Norway expects the implementation process to be finished within this year, and well within milestones put out by the authorities.

The Maritime Transportation Security Act

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of the MTSA, but also will generally reflect the new international maritime security requirements recently adopted in December 2002 the International Maritime Organization (IMO). The regulatory impact on the maritime industry will be significant, and the timeline for implementing the new robust maritime security requirements is exceptionally short. Among other requirements, the regulations will compel regulated vessels and facilities to conduct security assessments and to develop detailed security plans to address vulnerabilities revealed by those assessments. The regulations also will contain requirements for the designation and competency of security personnel, including standards for training, drills and exercises.

By operation of law under the Coast Guard's proposed regulatory timeline, a regulated vessel may not operate on or adjacent to waters subject to the jurisdiction of the United States without an approved plan after July 1, 2004. Substantial penalties may also result for noncompliance.

As the SOLAS amendments and ISPS Code were being negotiated at IMO, Congress was developing the MTSA. Section 102 of the MTSA, which is codified at 46 U.S.C. Chapter 701, contains the key domestic maritime security requirements.

The Coast Guard's authority under 46 U.S.C. Chapter 701 is broader than SOLAS and the ISPS Code. The new international security requirements generally apply to ships engaged on international voyages and facilities that serve such ships, focusing primarily on the security of the ship-facility interface. The Coast Guard is not so limited by 46 U.S.C. Chapter 701 and may directly regulate any vessel that has some nexus to the marine environment that it determines is likely to be involved in a transportation security incident.

The regulations implementing 46 U.S.C. Chapter 701, the SOLAS amendments, and the ISPS Code will likely be the first step in an iterative regulatory process. Implementing the core maritime security requirements now paves the way for additional improvements that will come about through subsequent initiatives to improve identification credentials and processes, establish security training programs, and implement cargo and container initiatives to improve the security of the supply chain. The task is daunting, but enhanced maritime security is an "all-hands evolution." The maritime industry must be cognizant of the regulatory timelines and the requirements that are fast approaching. Failure is not an option – the consequences are too high if we collectively fail to shore up the vulnerabilities plaguing the marine transportation system.

The author is a commander in the United States Coast Guard currently serving as the legal

adviser to the Coast Guard's Port Security Directorate. The views expressed herein are solely those of the author and do not necessarily reflect the views of the United States Coast Guard or the United States Department of Homeland Security.

Z ZERO DAMAGE UPDATE

Dear Colleagues

We are pleased to note an improvement in cargo claims over the last 5 months. By comparing number of claims from January 2002 until May 2002 versus same period in 2003, we can see a positive improvement, and we do contribute this to the good efforts of Masters, Officers and Crews after the implementation of the Zero Damage Project.

While we still have a long way to go in reaching our goals and especially with stevedores in certain areas, we feel that the responsibility and respect for the cargo we are carrying have greatly increased onboard our vessels. A responsibility, which we are sure, will bring us forward and make us stronger in our efforts of providing top quality transportation.

The ZD working group in Stockholm on May 15th concluded the documents and agreed further on:

- * Development of Computer Based Training modules for reefer technology and cargo handling.
- Production of a ZD brochure for vessels and agents in load ports especially promoting focus on ZD.

Other measures implemented by STAR Oslo are:

- * Implementation of daily cargo monitoring and reporting procedure.
- * On the job training by specialists by riding specialists.

Several operational improvements programs like:

- (1) Monthly auxiliary report on output,
- (2) Spare part control,
- (3) Hydraulic hoses library,
- (4) Container equipment control and
- (5) Encourage use of better cargo lashing equipment, such as improved quality airbags.

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Zero Damage Update (Continued from page 3)

We are sure that all these issues will be a great help to managers and crews, and we appreciate comments and ideas from all personnel involved to how we can proceed and reach our goals.

On behalf of tech/ops in Oslo we wish you all bon voyages and ZD sailing.

Best regards Captain Finn Haraldsen

Said about us

Strong earnings from STAR Reefers.

Dagens Næringsliv

Financial

(Terje Aschim, STAR Reefers AS)

STAR Reefers posted a net profit in the 1st Quarter 2003 of USD 6.7 million as compared to USD 7.5 million in the same period last year. Freight rates this year are somewhat lower due to high yielding time charter contracts which expired in 2002.

Gross freight revenue increased from USD 43.4 million in 2002 to USD 52.6 million this year. Total operating revenue on T/C basis this year of USD 34.5 million, was basically on par with last year of USD 34.6 million. STAR Reefers operated a total of 39 vessels in 2003 compared to 37 vessels last year representing 61.5 million used cbft vs. 59.7 million used cbft last year. Freight rates in the 1st Quarter were 56 cents as compared to 58 cents in 2002. The freight rates for the last year reflect high earnings on 4 vessels on old long term contracts that expired last year, which distorts the comparison.

Fleet Changes



In the beginning of April STAR entered into an agreement to purchase the Caribbean Reef (514,095 cbft, 1993 built) and the Coral Reef (516,530 cbft, built 1993) from Leif Hoegh & Co, Oslo for USD 10.5 million per vessel. The ships will be delivered in July/August this year.

The Insurance Department – Customer Satisfaction

(Greg Thomas, NYKSTAR)

In previous issues of this magazine we have spoken at length about our continued commitment to Operational Excellence as typified by The Zero Tolerance Program.

Regrettably there may be occasions when issues regarding the carriage of cargo present themselves. The “Reefer” industry does not have the luxury that most other ship owners have in so far as problems with the cargo are not always apparent at discharge – it is certainly not our intention to deliver Rusty Apples!

The Client needs to be re-assured that any problem that presents itself with their cargo is thoroughly investigated; Our commitment though is not only legal or contractual it goes beyond that. At STAR it is our commitment to investigate each and every complaint that arises professionally, courteously and in a timely manner.

Fruit facts

(S. Kapoor, Fleet Management Limited)

Oranges



- Oranges are easy snacks to eat - just grab, peel, and enjoy.
- A medium-sized orange averages only about 70 calories, and is an excellent source of vitamin C, potassium, calcium, foliate, thiamine, niacin, vitamin B₆, phosphorous, magnesium and copper.
- Oranges were brought to the New World by Christopher Columbus and to the U.S. by Spanish explorers in the 16th century.
- In 1873, three navel trees were brought from Brazil and planted in Riverside, California. The trees started producing fruit in 1878. Today one of the three original trees is still alive and producing fruit.
- Brazil is the largest producer of oranges in the world followed by Florida / USA
- Today 9 out of 10 oranges grown in Florida are processed into juice.

“What do you get if you cross an orange with a comedian?

Peels of laughter”.

Report from Tundra King

(Capt. Anent Kumar Bansal, Tundra King)

It has been seen that many number of incidents have resulted due to misjudgment, human error and fatigue. Which could easily have been avoided by ship's staff by exercising a little more care and diligence. Assessment, proper planning, execution and monitoring are all vital factors for eliminating any untoward incident and each of these factors should be seriously taken into account.

Recently, one of the vessels lost her anchor and damaged her windlass while another went lightly aground. Incidents like these cost owner's dearly, not only financially but more importantly in terms of their reputation. In today's competitive market and specially in this trade, an off-hire or loss of credibility is simply not acceptable.

Staff on board have to remain focused in their duties and responsibilities and the Master has to be the main motivating factor to achieve smooth and incident free operations. From time to time, he has to wear a variety of hats, sometimes he will be required to lead his crew, at other times, to push them. Important is to make every one understand by continuous training and if required by introducing short courses specially designed for the sailing staff to make them understand cost cutting by time output efficiency.

We realize that this trade can be extremely hectic and demanding for the crew due to pressures imposed by various parties, including the owners, which makes it imperative to be strict and critical in selecting the right staff for the vessels in this trade.

Another important requirement is to have more transparency between owners, managers and ship's staff in order to achieve our common goal of higher profits even by maintaining strict higher standards.

Quality does not come easily and cheap, but it is always cheaper in the long run and it is justified every day by improving standards of the vessels by implementation of international standards of shipboard quality management.

We would rather be cautious than be sorry therefore by introducing "Zero Tolerance" and in their continuous quest to attain perfection no one is asking us to do more than what we are expected to do as professionals.

Reefer trade is very seasonal and it is vital that performance is without interruption during the high season so as to maximize the earnings enabling to make up for the losses over the low season.

The reefer market is in the doldrums therefore we the ship's staff with the help of the ship's manager must by active cooperation try to achieve safe and efficient shipboard operations to help our owners ride out of these troubled times.

We call things we don't understand complex, but that only means we haven't found an easier way of thinking about them. With the right frame of mind and a positive attitude, we can easily achieve any set goals.

Said about us

"It was very nice to visit Tundra King in Helsingborg and I was happy to have a possibility to show my partner and her brother and his friend what a reefer vessel is. They were very impressed by the vessel, main engine, cranes, hatches, and the bridge but mostly by this fantastic friendly welcome which the Master, Superintendent and crew gave us. The vessel is nearly spotless on the hull, deck and in the accommodation by now. They really have done improvements the last month, good job!"

Christian Skantze, LauritzenCool



*Capt. Bansal and Chief Engineer Singh
MV Tundra King*

Around the cargoes....

(Dough Spooner, NYKSTAR)

Last month heralded the start of our citrus season to Japan. m.v. Chaiten arrived at the Port of Durban to load 5551 pallets of citrus for Tokyo and Osaka. The cargo is carried under a 12 day cold sterilisation programme and is then warmed up prior to arrival in Japan.

Our South African representative Ms Heid Rousseau attended the loading on this occasion and for all vessels, liaises closely with the Perishable Products Export Control Board on the temperature monitoring, preparation and execution of the voyage. This temperature monitoring is of paramount importance, as one incorrect 4 hrly temperature printout can render the sterilisation treatment void and require recommencement of the 12 day period. Identifying the temperature trends requires careful observation and STAR in Oslo have produced an electronic form which assists all parties in following such temperature trends. This form is then submitted on a daily basis to controlling parties.

Capt Valencia and his crew have now completed this voyage and are indeed returning to South Africa for a second trip...

Market Report

March/ May 2003

(J. Solomon, NYKSTAR)



We are pleased to report the best season for the Reefer market since 1997. The strongest winter in the Baltic for 50 years, increased deciduous from Argentina, high demand from Chile and consistent high volumes of bananas were the main factors.

Citrus from Argentina to the Baltic reached USD 340 per pallet and bananas to the Baltic from Ecuador USD 7 per box. Rates fell back in April as expected, even so, the peak season lasted longer than most, and 2003 looks certain to be one of the best in a long time. Over the last 2 weeks the market has shown an astonishing rebound with rates as much as 35%-40% up. A tight supply of tonnage, abundant Ecuadorian bananas and southern hemisphere fruit has led to this increase.

We are seeing more shippers switching to containers which are the downturn to this high market. The trend towards containerization shows no sign of abating and isolated incidents can do no long-term favors to reefer owners. It also seems that the increased number of vessels tied up in the liner business, leaving fewer free trading ships, has made it more difficult to forecast demand. The capacity of the global reefer fleet has not altered significantly, but because the number of vessels serving the spot trades is proportionally smaller than before, any increase in spot cargo, is likely to have an exaggerated upward effect on rates. A changing trade pattern is also beginning to emerge, with ships making longer trips into the Baltic and the Black Sea. Unsurprisingly, those vessels that had intended to go into lay-up deviated back into the market place. The smaller vessel sector was affected by the shortage of larger units and managed to keep rates well above last year.

The weak US\$ against the stronger € is encouraging more produce to seek European shores. The reportedly poor citrus crop in the Eastern Med is further fuelling imports from the South. Consistent cargo demand, including large volumes of bananas from Central America and Ecuador, is having a stabilizing effect.

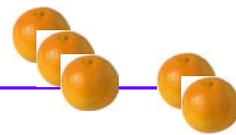
It has been interesting to note the increased market overall over last year of between 15-20 cents. This will be analyzed carefully and it will be interesting to see how Owners and Charterers react to contracts for next year.

Vetting of STAR Reefers ships

(Kjetil Bruun-Olsen, STAR Reefers AS)

During the last year STAR Reefers has, based on experience from the tank-marked, developed a vetting program for our reefers (previously called "ship's visit"). A standard vetting-procedure, plan and report has been developed which contains technical, operational, quality, security, personnel and commercial items and areas. After each vetting, a detailed defect and action list is developed with deadlines for rectification together with the ships senior staff. Prior to the weekly onboard management meeting, a round is made by department leaders, the weekly progress is monitored and reported. New items for rectification may be added to the list.

The vetting program is a motivating element for the crew, by identifying costs for each job. This is also a systematic approach, in addition to PMS and Class, to prepare the dry-dockings.



Said about us

"Excellent crew. Your ship is in great condition. Your crew was very friendly. Thank you for your cooperation with your inspection."

USCG-Inspector attending MV Tundra Trader

Elderly People

Three elderly men go out walking:

First one says: "Windy isn't it?"

Second one says: "No it's Thursday!"

Third one says: "So am I. Let's go 'n get a beer".



Tundra King visiting Drammen

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nance standard in general for our reefers; “for the future we will refer to the “Tundra King -standard”. Meny thanks to FML, Capt. Bansal and his crew.

We are also very happy with the way Fleet Management Ltd. has brought up all the other Tundra-ships with regard to appearance, predictability and standard of maintenance. This is a result of hard work in the team, both in the office and onboard.

STAR Reefers is convinced that we are heading in the right direction, and are pleased to observe that our partners are contributing in our effort in meeting our vision:

.....**Making a positive difference**

Puerto Quetzal – A Master’s view

(Capt. Nikolai Rozin, M/V Chiquita Joy)

Lying quietly on the western coast of Guatemala, the rugged coastline washed by the warm waters of the Pacific Ocean, Puerto Quetzal is a regular port of call for the vessel “Chiquita Joy”. The ship’s Master, Captain Nikolai Rozin, provides this insight into his recent call to this peaceful port.

We can both see and smell the special character of this port, surrounded as it is by at least six live volcanoes, still breathing their sulphurous vapors into the heavy air, while we take the most experienced pilot almost at the entrance to the port, at which time we can immediately feel the friendliness of this country by his welcoming smile.

The port is small and consequently, in a few minutes, we approach the berth after the short pilotage. Our agent Sr. Alberto and the Port Authorities are the first aboard the ship. The formalities passes quickly and, after some minutes, the Port Authorities and agent leave the vessel, “free pratique ” is granted and another busy port period can begin.

Arriving at the top of the gangway come the smiling stevedores, everyone occupying his place and everyone engaged in his duty. Lastly come "Chiquita" Port Manager Sr. Armando Contreras and his assistant Sr. Victor Meme.

Under the direction of the Chief Foreman, Sr.

Sezar, the unloading of containers begins. The work goes quickly, and after the passing of less than two hours, almost 100 containers have been transferred from the vessel to the pier. This work completed, while the vessel's crew re-equip the cranes for the loading of light cargoes, bananas in palletized boxes. Eyes turn to the skies, looking for tell-tale signs of approaching rains as this is the season to expect same. Stevedores, who have just unloaded containers, make their way into the holds. Bananas require fast and accurate handling, something that the U.S. market takes great interest in, therefore the stevedores, understanding such responsibility, work from the beginning with concentration and accuracy.

The shouted commands of the chief stevedores are audible from each hold, verifying within centimeters the stowage of each pallet. Small free spaces here and there are secured with air bags, holes are closed either with dense paper or sponge.

As the last pallet is stowed into its designated place in the lower hold, it becomes possible to close the twin-deck and to begin cooling - this cargo now becoming the responsibility of the vessel. The stevedores pass to the next twin-deck, starting the cycle once more. Pallet follows pallet; tween-deck after tween-deck is filled. Stevedores, always watchful on the weather, step up their efforts as the evening approaches - when the rain is expected. Work continues, not stopping for one minute, breakfast eaten, as is lunch or dinner, directly in the cargo hold.

The last pallet has found its place in the last tween-deck, all hatch covers are smoothly closed and the vessel's deck crew quickly begin the task of re-equipping the cranes for loading the banana-laden containers. Despite a long day for all, the stevedores begin the business of loading the containers on deck. As the last unit is safely stowed, the first drops of rain arrive.

Under the rumble of thunder and bright flashes of lightning, mooring ropes are let go, the vessel gently departing from her berth. As she nears the sea, the customary rise and fall of the bow signals the end of our Pilot’s work and, having given three good-bye blasts on the vessel's whistle, we leave this silent and hospitable port.

