APPENDIX A

PART 2 OF 6

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the tank was really recirculation tank.

So should the Form B be corrected, is the other question?

MS. TSOCHLAS: No.

MARPOL defines tanks that are used for overflow as to be -- as oil tanks, so they should be included in the Form B of IOPP.

MR. WIGGER: Okay.

MS. TSOCHLAS: Regardless of whether in practice that's clean fuel oil that's recirculated.

So that is why we had to include those two tanks in Form B of the IOPP.

MR. WIGGER: Okay. And these drains are directed from the fuel tanks, they are not -- it's not after passing through the purifiers, it's actually the water drained at the bottom of the fuel tank that you're -- you're --

MS. TSOCHLAS: The fuel oil overflow. No.

MR. WIGGER: Fuel oil. Yeah.

So what you're draining then is essentially the water that may accumulate

in the bottom of the tank that goes to this fuel oil overflow tank.

MR. KARAGIORGIS: There are two possibilities. The first possibility is to remove the water from the overflow tank using the sludge pump.

This is because the class desired to include the fuel tank in the IOPP -- with the sludge system. Okay. This is the first possibility.

The next possibility, it's to transfer the fuel oil to second tank, fuel oil second tank.

This is a way that we use always. And drain from second tank and also passing and cleaning through purifiers.

MR. BUNDY: Okay.

MR. WIGGER: And, in fact, in the audit report the recommendation was that Ionia evaluate whether these tanks should be included in the SWOMS since it sounds to me like you are doing that evaluation or made that evaluation.

MS. TSOCHLAS: Yeah.

MR. BUNDY: Okay. I didn't mean to

spend too much time on that.

But I just wanted to make sure we had a clear record to the reasons that was not included in the SWOMS system.

Okay. Ms. Tsochlas, I'm sorry to have interrupted you.

MS. TSOCHLAS: That's fine.

MR. BUNDY: Please move ahead if there aren't anymore -- there is no more discussion on this topic by the other parties.

MS. TSOCHLAS: All right. So we'll move along to Point C: The Ionia's processing and using of the SWOMS data.

The staffing for the analysis of the SWOMS data, this is the Ionia's organization chart.

The people involved in the analysis and review of the SWOMS data and the documentation that is submitted on a monthly basis from the vessel is the technical manager, who is also the CCM.

He oversees the whole process of review and analysis, two superintendent engineers and the technical coordinator.

The technical coordinator carries out all the data entry that's necessary for the review and analysis to be carried out.

The superintendent engineers review and analyze the SWOMS data and the documentation that is submitted to the company by the vessels.

Originally, we had one superintendent engineer doing the review and analysis for the two vessels.

Now that we have included two additional vessels in the process, we have two superintendent engineers. One superintendent engineer for two vessels.

We have developed a spreadsheet using Excel in order to help the superintendent engineers carry out calculations and identify -- in order to identify any discrepancies and produce charts.

So here we have an example of that spreadsheet. This is just an example.

MR. BUNDY: Where does that appear in the materials that you provided?

The example of the spreadsheet.

MS. TSOCHLAS: It's on page -- after

page 12, Slide 12.

The example of the spreadsheet. I think we should go back.

MR. CHALOS: Did you --

MS. TSOCHLAS: Have you printed out the links?

MR. BUNDY: I'm not sure where I could find that.

MS. TSOCHLAS: It's a couple of charts and an Excel sheet with data and lots of colors.

MR. BUNDY: It wasn't part of the PowerPoint?

MS. TSOCHLAS: It was a link.

MR. BUNDY: A link. Okay.

MR. KONTAKIS: It was on Slide 12, says "Comparison."

MR. BUNDY: I've got the chief engineers weekly report for the Fidias.

MS. TSOCHLAS: No. That's much further along.

MR. CHALOS: Mr. Bundy, are you on Slide 12?

MR. BUNDY: Unfortunately, the slides are not numbered as they printed out.

MR. CHALOS: It says --

MS. TSOCHLAS: One page back from what you are looking at.

MR. CHALOS: It's got three small Is "Review of one or more examples."

MR. BUNDY: Right.

MR. CHALOS: And then says "Comparison data."

Comparison date was a link. When you click on that it opens up to an Excel spreadsheet.

MR. BUNDY: Oh, okay. I'll be sure to look at that. Okay.

MS. TSOCHLAS: Okay. All right.

On the left-hand side of the spreadsheet where the green and the blue is, is where the SWOMS data that is transmitted on a daily basis from the vessels is entered.

We enter it manually using the data that's transmitted. The tank sounding levels, we are running out of the oily water separator and the running out of the incinerator.

At the end of the month, each of the

vessels submits copies of the oil entries. The daily manual tank soundings and the engine room printouts.

The data that's collected from those in hard copy is entered on the right side. Move a little to the right.

The engine sounding logs and the oily water separator and incinerator operation tanks.

And the discrepancies between the soundings levels are automatically calculated through the Excel spreadsheet. From this data then the following charts are produced.

We have this chart, which shows waste generation onboard our vessels and the running times of the oily water separator and the incinerator.

So the curves are the tank sounding levels showing waste generation and the points are from the running out of the incinerator in this chart where we show -- which is for the sludge tanks.

And the above chart we've got the oily water separator, which is for the

bulge tanks.

Then the next chart is a comparison between the tank sounding levels recorded by the SWOMS and the manual tank sounding levels in the bilge holding tank.

These charts makes it very easy for us to identify whether there are any discrepancies. As you can see in this chart as we have reported, we had a malfunction of the sensor in the bilge holding tank, it was very obvious to us.

The next chart is the oily bulge tank and here you can see how they correlate very well.

So the purple -- blue and purple is the SWOMS and the plum color are the actual manual soundings. The next tank is the sludge tank and then the incinerator tank.

So here you can see that using -- it's a very simple spreadsheet, but it helps us identify any discrepancies and any differences very easily.

MR. SANBORN: May I ask a question? It's Jim Sanborn.

Ms. Tsochlas, I was trying to get a sense of the amount of work and time that goes into this data or capturing this data.

Can you sort of help me understand?

Now, the data comes in via SWOMS but then it has to be entered into a spreadsheet by hand.

MS. TSOCHLAS: Yeah.

MR. SANBORN: Is that a man day? Is it done very day? Is it done weekly?

In other words, how much of the supervisor's time or his associate's time goes into entering this data which then, of course, can get automatically or electronically generated into the charts we are looking at now?

MS. TSOCHLAS: Well, the SWOMS data is entered on a daily basis. That's about 15 minutes, not more than that, because it's done daily.

At the end of the month when the paperwork comes in, the technical coordinator has to spend quite a bit more time on all of that data, because that's

for the entire month. So he'll spend about half a day entering that data.

And then the superintendent engineer that will review and analyze all the data will spend at least a day on that data reviewing and analyzing.

MR. SANBORN: Have there been any complaints on the part of the superintendents about paperwork?

MS. TSOCHLAS: Well, superintendents always complain about paperwork.

They are engineers, they don't like to deal with bureaucracy.

MR. SANBORN: Thank you.

MS. TSOCHLAS: So shall I move along?

This is a flow chart to indicate the process. As I have already said, the SWOMS data is transmitted to the company daily and is entered into the spreadsheet on a daily basis.

The data that is entered of the tank sounding level in volume and centimeters.

The incinerator running analysis and the oily water separator analysis and the total sludge and bulge are obtained

onboard.

At the end of the month when the documentation is submitted, then the manual tank sounding levels are entered into the spreadsheet, along with the oily water separator running analysis and the incinerator analysis based on the oil report book entries.

We also receive the engine room printouts which are reviewed by the attending responsible superintendent.

Once the data is entered into the spreadsheet, the discrepancies are calculated automatically by the office spreadsheet and the superintendent engineer reviews those discrepancies.

Charts are also produced to make it easier for the superintendent engineer reviewing that data to try to identify any discrepancies.

And then, the engine room printouts are reviewed and compared to the oil entries. So that's the whole process that's carried out.

Now, the last point where the waste

generation rates are compared with the data concerning waste disposal, throughout the whole process the data is cross-checked in order to make sure that everything is accurate and that waste generation and waste disposal check out.

MR. BROWN: Who does that?

MS. TSOCHLAS: The superintendent engineer that's reviewing the data.

MR. BROWN: Thank you.

MR. BUNDY: Okay. Before we leave the SWOMS topic, does anybody have any questions or comments that you wish a response to?

MR. CASHMAN: One quick question with the corrections to the software on the data on the DOT.

Do you have the most recent SWOMS data that shows the graphical display to see how well the change in software is matching up with the --

MS. TSOCHLAS: For the hourly data?

MR. CASHMAN: Correct.

MS. TSOCHLAS: That hasn't been installed yet.

Because I said, we are having problem with the memory of the --

MR. CASHMAN: Okay. That's --

MS. TSOCHLAS: So Vigilant is still working on that to correct that problem.

MR. CASHMAN: Do you have a, hopefully, estimated time for update from Vigilant?

MS. TSOCHLAS: No. We haven't had an update on them.

They are still working on them. Because they are software problems, they have to be resolved in their own way.

MR. CASHMAN: Okay.

MR. WIGGER: I have a comment question.

MR. BUNDY: Go ahead. Please.

MR. WIGGER: As part of the special masters order, we are receiving copies of the raw data, which is the SWOMS, the oil record book, sounding log, on a monthly basis.

And when we receive that we are also under the order tasked with reviewing that material.

So my staff is reviewing that on a regular basis. We are providing some feedback.

We send it back to you, we send it to the government. But I think it would be helpful to us if we also received the spreadsheet if we could and some of the charts that you generate at the end of the month. It would just kind of facilitate our review of the data as well.

And in that regard, we probably have to look to see, maybe get some feedback from the government as to the -- whether we should continue with the analysis that we are doing, if it is helpful or if it's just -- so we haven't gotten any feedback on that analysis as of yet.

So I just wanted to kind of put that out there as well.

MR. BUNDY: Okay. I made a note of it.

Make sure we put it in the report.

MR. WIGGER: Okay.

All right. Can we move on.

MS. TSOCHLAS: So the second item on

the agenda is training, the status of implementation of our computer-based training system.

So this table shows when we send the CBT units onboard and when they were implemented onboard. As you can see, the CBT units have been implemented onboard all our vessels.

The last one being the Estia in February of 2010. She had been in Nigeria and we weren't able to implement immediately.

In order to gain feedback from our seafarers and our shore staff regarding the CBT training system, we developed an opinion survey, as we did with the SWOMS, and we distributed throughout the fleet and the company. So here we have an example of those opinion surveys.

Now, the survey was distributed and regarded the overall training, restructure training program we've implemented. The first part was to do with the competency assessment that we have begun carrying out. The prejoining familiarization

program is the second part.

Then the third part is to do with the training that we provide to our seafarers from external organizations.

The -- and then on evaluation of onboard training, which is CBT, computer-based training, that we've installed onboard our vessels. And the weekly training sessions that we carry out onboard our vessels.

And our shore-based personnel training program opinion survey covered both parts of training, but training that we provide to our shore-based personnel and to our seafarers.

We asked our shore-based personnel to the assess the same elements as we did ask of our seafarers.

MR. CHALOS: Mr. Bundy, do you have those links in your package?

MR. BUNDY: I do.

MR. CHALOS: Okay. I assume Mr. Brown has them in his.

MS. TSOCHLAS: Now, with regard to the computer-based training our

shore-based personnel consider that the seafarers are utilizing the CBT units.

That the CBT units cover an adequate and appropriate range of training titles. That their knowledge has been enhanced by the CBT program and that they have embraced the CBT program onboard our vessels.

Our seafarers feedback showed that generally our seafarers are very satisfied with the CBT training onboard. They are, in fact, very enthusiastic about it.

Their knowledge has improved with the use of the CBT training. They find the range of titles satisfactory.

A number of our seafarers did suggest that they issue more titles that they would like, more to do with antipiracy and issues related to safety rather than to the environment.

And the majority consider that training regarding the environment is adequate.

Point C of the agenda concerns the implementation of our training system at

the Manning Agents and the schools in the Philippines, and whether we've observed any impact on the knowledge and quality of our seafarers.

The CBT was implemented in Manila in July, 2009. In October, 2009, we began our shipboard environmental management systems program.

Our competency evaluation software was implemented on the first of January, 2010.

And since then, 14-deck officers and 15-engine officers have been assessed in Manila since the competency. So we think that it's too early to observe any impact on the knowledge or quality of our new hires. And of our seafarers.

However, we have put in place some key performance indicators, which we will be monitoring and hoping, expecting to see an improvement in those indicators that will be an outcome of the additional restructure training program that we are providing to our seafarers.

Those first performance indicators

have to do with percentage of deficiencies reported during third-party inspections regarding to bunkers procedures, related to garbage management, to ballast water handling, to MARPOL Annex One.

And then, two additional key performance indicators are to do with the percentage of deficiencies recorded during oil major vetting and inspections related to pollution prevention and to the engine and steering compartments.

So we are monitoring these KPIs and we are expecting to see an improvement in our vessel's performance in these areas.

MR. CHALOS: May I ask a question, Mr. Bundy?

MR. BUNDY: Okay.

MR. CHALOS: Ms. Tsochias, how do you get these key performance indicators to the vessels?

How do you convey it to them?

MS. TSOCHLAS: We calculate them on a quarterly basis. Even though quarterly is quite a small sample because we only have six vessels.

And once we circulate them and produce the charges, I will circulate them to our vessels as a company circular.

MR. CHALOS: And then you get feedback from the vessels?

MS. TSOCHLAS: We request those key performance indicators to be discussed in the monthly safety meeting.

And through the monthly safety meeting we can get feedback from our seafarers.

MR. CHALOS: Do the vessels submit the monthly meeting minutes to the office.

MS. TSOCHLAS: Yes, they do. And we review them.

Here we have an example of the vetting observations, oil major vetting observations cover 12 elements of management.

When it comes to the environment we focus on the chapters related to pollution prevention and engine room and steering manuals.

As you can see in 2008 and 2009, pollution prevention was approximately 3.8