

APPENDIX A

PART 3 OF 6

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1 percent of the vessel inspection
2 deficiencies recorded.

3 In the first quarter of 2010 it was
4 3.64, so it seems to have been an
5 improvement, although a quarter is a small
6 period, it's a small sample for us to have
7 a clear picture here.

8 When it comes to engine room and
9 steering compartments, in 2008, 23.6
10 percent of the deficiencies were related
11 to the engine room and steering
12 compartment; whereas in 2009, 7.2 percent.

13 And then, in 2000- -- the first
14 quarter of 2010 must be around 6 percent,
15 it doesn't show it here. But we've
16 noticed a drastic improvement in
17 deficiencies related to the engine room
18 and steering compartments.

19 And then we have our key performance
20 indicators from our environmental
21 programs, which I explained earlier.

22 We started counting -- calculating
23 these KPIs in July of 2009. So we only --
24 up until the time of submission of
25 documentation on the 30th of January, we

1 only had the quarterly statistics. We
2 will be calculating that through the year
3 to see how things have gone.

4 MR. BUNDY: Ms. Tsochlas, could
5 you -- I'm looking at the environmental
6 program KPI slide --

7 MS. TSOCHLAS: Yes.

8 MR. BUNDY: -- is that what you are
9 discussing?

10 MS. TSOCHLAS: Yes.

11 MR. BUNDY: Now, does that
12 indicate -- what does the -- what does
13 each bar represent where it says
14 22.22 percent MARPOL Annex One Key
15 Performance --

16 MS. TSOCHLAS: On the right-hand side
17 of the chart, there's a legend which shows
18 which color relates to which area.

19 So the blue is -- the darker blue is
20 related to MARPOL Annex One.

21 MR. BUNDY: Is that -- is that a
22 deficient the percent is a deficiency
23 noted or --

24 MS. TSOCHLAS: That's percentage of
25 deficiency related to MARPOL at least one

1 out of all deficiencies recorded during
2 third-party inspections. The quarterly
3 statistics, the sample is too small.

4 In some quarters we may have only
5 three or four inspections in total;
6 whereas, you may have ten or 15
7 inspections. It depends on the training
8 schedule of the vessel and commercial
9 maintenance of the vessel.

10 So that's why we are waiting for the
11 end of the year, July 2010, in order to
12 calculate the year's statistics.

13 MR. BUNDY: All right. So what you
14 are saying is that these high numbers
15 appear -- might be skewed by the small
16 sample size?

17 MS. TSOCHLAS: Exactly, yes.

18 MR. BUNDY: Okay. Thank you.

19 MS. TSOCHLAS: Then, Point -- yes?

20 MR. CHALOS: I'm just telling
21 Ms. Tsochlas to wait until you finish
22 because of the delay in transmission so
23 you are not talking over each other.

24 MR. BUNDY: Oh, okay.

25 MS. TSOCHLAS: Point D: Feedback

1 from seafarers and shore side personnel
2 and effectiveness of training and plans
3 for revisions to the training program.

4 Here I have the charts to do with the
5 prejoining familiarization training
6 program.

7 The first chart shows our shore-based
8 personnel feedback. I would like to point
9 out that this opinion survey went to
10 everybody in the company, from the guy who
11 does our -- takes our photocopies to the
12 photocopy shop to the managing director.

13 Most of our staff consider that the
14 prejoining familiarization program covers
15 all the necessary areas of knowledge
16 adequately and the material utilizing for
17 prejoining familiarization is adequate.

18 The next --

19 MR. BUNDY: How could -- excuse me,
20 can I just interrupt. It looks like 29
21 people didn't even -- weren't even aware
22 of the program.

23 How could they have an opinion about
24 how effective it was?

25 MS. TSOCHLAS: It's 29 percent, and

1 that's primarily the secretary of the boy
2 that does outside jobs for the company.

3 So those people that don't have an
4 idea of the prejoining familiarization did
5 not continue to complete the rest of the
6 information.

7 That's why we put that question in so
8 that we could make sure that our results
9 were not skewed by people who didn't know.

10 MR. BUNDY: Okay.

11 MR. CHALOS: Mr. Bundy, in discussion
12 this with Ms. Tsochias, she said that they
13 gave this survey to everybody from the
14 managing director right on down to the
15 coffee boy.

16 So everybody is included. So they
17 get a representative sample, I guess.

18 MR. BUNDY: How -- approximately how
19 many people would that be?

20 MS. TSOCHLAS: That's around 30
21 people in total -- 25 to 30 people.

22 MR. BUNDY: Okay.

23 MR. CHALOS: The point is: They
24 wanted to increase awareness throughout
25 the whole office structure.

1 MR. BUNDY: Go ahead. I'm sorry.

2 MS. TSOCHLAS: The seafarers
3 assessment of the prejoining
4 familiarization program showed that,
5 generally, most of the seafarers were
6 satisfied with the length of the sessions,
7 the level of language that was used during
8 the sessions, the level of knowledge
9 provided by the prejoining familiarization
10 sessions, the relevance of the material
11 that is used, the interest of the
12 material, and the communication of the
13 material, as well as the standard of the
14 material.

15 So most of the seafarers were either
16 very satisfied, satisfied, or a small
17 proportion were neutral.

18 And some of the feedback comments
19 that we received for improvement from our
20 seafarers regarding how the seafarers
21 training can be improved is through
22 continuous evaluation.

23 This is something that we do
24 anything, through providing ship board
25 training via external organizations. We

1 are currently reviewing and assessing the
2 possibility of arranging something like
3 this.

4 Providing additional training for the
5 seafarers.

6 And then, how the prejoining
7 familiarization program can be improved is
8 by providing more days and more specific
9 training, so we are assessing the
10 suggestion and seeing how we can improve.

11 Through using our superintendent
12 experience and our masters reviews under
13 the regulations, this is something that we
14 do anyway, as well as continuous
15 evaluation.

16 By demonstrating further commitment
17 from our personnel and providing
18 additional material that is more
19 formalized, so we are looking into that as
20 well.

21 And identifying seafarers' weaknesses
22 and focusing on those. We are doing this
23 through the competency evaluation
24 software.

25 We haven't made many changes to the

1 training system as it is still very early
2 in the implementation of that, of the
3 restructured program.

4 We have added a CBT title regarding
5 the vessel general permit. And we've
6 prepared a training session regarding
7 volatile organic compound management
8 plans, which came in to force -- the
9 regulation came into force on the first of
10 July of this year.

11 Okay. So that's the end of Point 2.

12 MR. BUNDY: Does anyone have any
13 questions on the training issue now?

14 Yes, Mr. Brown?

15 MR. BROWN: Yes.

16 Just a question about whether you
17 keep a record of attendees for the
18 training?

19 MS. TSOCHLAS: Of course.

20 MR. BROWN: And how do you ensure
21 that the people are actually going to the
22 training?

23 MS. TSOCHLAS: The -- we have a
24 training -- we have trainers that are
25 employed by our companies at -- by our

1 company at Manila, at the Manning Agent.

2 Those trainers -- we arrange for our
3 seafarers before signing on that they have
4 to spend approximately ten days at the
5 Manning Agent.

6 Those ten days we get a report. At
7 the end of those ten days we get exactly
8 what the seafarer attended during that
9 period.

10 He's, of course, he's paid for those
11 days. So it's very important that he is
12 there for us. And at the end of the
13 training, he is issued a certificate of
14 attendance that he takes onboard with him.

15 MR. BROWN: Thank you.

16 MS. TSOCHLAS: Thank you.

17 MR. BUNDY: Okay. Next topic.

18 MS. TSOCHLAS: Item 3 on the agenda
19 is the Fleet Engineering survey. There's
20 been lots of discussions about this
21 survey, especially during previous
22 hearing.

23 Following the previous hearing and
24 the comments and recommendations that were
25 provided by Ms. Pettus, we amended the new

1 Fleet Engineering survey and it was
2 implemented on the 22nd of March, 2010.

3 The modifications that were made were
4 based on the following: Simplifying the
5 original three questions so that they
6 would be easier for the seafarer to
7 understand; and then for each question,
8 providing a breakdown of questions that
9 will provide guidance to the seafarers as
10 to what kind of information we are trying
11 to get from them.

12 Shall we open that link.

13 This is the new form that's been
14 implemented. --So for each question: A,
15 we've simplified the wording.

16 It's basically the same question, but
17 with simplified wording. And then we have
18 sub questions which helps the seafarer get
19 an idea of what we want.

20 Okay. Shall we go to the next slide.

21 So far nine completed Fleet
22 Engineering surveys have been completed or
23 revised that time.

24 Because the Fleet Engineering survey
25 completed only by the engine officers and

1 upon their sign-on on the vessels. So
2 we've only had nine changes up until the
3 30th of June and I submitted the
4 documentation.

5 This is an example of the feedback
6 that we have received so far. I'm going
7 to go into -- you've all seen this, I
8 think.

9 When we come to be, whether we had
10 any changes in policy or procedure or
11 equipment unitization that's resulted from
12 the Fleet Engineering survey.

13 So far, we haven't had any changes in
14 policies or procedures resulting from the
15 feedback from the Fleet Engineering
16 surveys.

17 We have had one suggestion that we
18 find interesting and we're looking into
19 seeing how we can implement that, and that
20 is establishing a photo file of the
21 installed seals in the engine room to help
22 auditors or superintendents who go onboard
23 to cross-check implementation of the
24 seals.

25 MR. BURGESS: I have a question,

1 Ms. Tsochias.

2 MS. TSOCHLAS: Yes.

3 MR. BURGESS: I notice in the Fleet
4 Engineering survey feedback the revised
5 form, that you do address like spare parts
6 and things of that nature.

7 MS. TSOCHLAS: Yes.

8 MR. BURGESS: And I notice in the
9 Motor Tanker Fidias environmental report
10 done by Captain Wigger, that on one of the
11 observations and recommendations by the
12 actual auditor on No. 21, page 6 of 12,
13 that there's a problem with ordering parts
14 and actually with the follow-up on that,
15 as far as requisitions.

16 MS. TSOCHLAS: That was for a
17 specific filters of the oily water
18 separator.

19 MR. BURGESS: Was it the coalescer
20 filter or --

21 MS. TSOCHLAS: Was that the --

22 (THEREUPON, THERE WAS A DISCUSSION
23 OFF THE RECORD.)

24 MS. TSOCHLAS: Yes.

25 It was the coalescer.

1 MR. BURGESS: Okay. That was a
2 manufacturing problem?

3 MS. TSOCHLAS: That the makers didn't
4 have available immediately spare filters
5 for us to send onboard.

6 MR. BURGESS: Okay.

7 MS. TSOCHLAS: I have actually
8 analyzed that program later on in the
9 presentation.

10 MR. BURGESS: It wasn't available per
11 the manufacturing when it became
12 available?

13 MS. TSOCHLAS: On that report. Yes.

14 MR. BURGESS: Okay.

15 MS. TSOCHLAS: So the vessel has
16 those filters onboard right now.

17 So that is the end of Item 3 of the
18 agenda.

19 MR. BUNDY: All right. If there are
20 no further questions on the Fleet
21 Engineering survey, please move on.

22 MS. TSOCHLAS: The fourth item
23 concerns our process of internal auditing.

24 Here we have a description of the
25 process of internal auditing, the

environmental management representative, which is me, in the company, issues the annual audit schedule, internal audit schedule for both the company and the fleet.

Because we internally audit the company's departments, as well as the vessels. The audit schedule is circulated throughout the company on the fleet.

And then the -- according to the due dates on the schedules of the vessels, we appoint the internal auditor and define the criteria method and scope of the audit that we intend to carry out onboard.

The audit and preparation for the audit reviews previous audit reports and the vessels performance reports.

The vessel or the responsible person for the air that shall be monitored is notified of the scheduled date well in advance so that they can begin preparing.

Once the auditor is onboard or within the company, he holds a opening meeting with the responsible person.

In order to describe the purpose and

1 the scope of the audit, agree the audit
2 plan with relevant personnel, request an
3 escort for the audit, explain the method
4 that will be used during the audit, agree
5 of the time and place for the closing of
6 the meeting, and respond to any questions
7 that the people being audited may have.

8 The auditor conducts the audit by
9 interviewing key personnel using the
10 checklist that we have developed in-house
11 as guidance, reviewing and evaluating
12 records relating to the audit activities
13 and recording objective evidence of the
14 implementation of the environmental
15 management plan.

16 The aim of the auditor is to verify
17 the effect of implementation of the
18 environmental management plan onboard, to
19 verify actions taken as a result of
20 previous audits, to verify the effect of
21 an efficient use of resources, identify
22 any opportunities to improve our
23 performance and to report any identified
24 nonconformities.

25 Upon completion of the audit, a

1 closing meeting is held during which the
2 auditor presents the results and findings,
3 and agrees with the responsible person for
4 immediate actions to be taken in order to
5 address any findings.

6 Once the audit has been completed,
7 the audit report and checklist submitted
8 to the environmental companies,
9 environmental management representative.

10 The audit report includes the
11 information regarding the area audited,
12 the date of the audit, the purpose and
13 scope of the audit, the name of the
14 auditor, date and time of opening and
15 closing meetings, the audit plan, the
16 summary or conclusions of the audit
17 results, and the nonconformity results.

18 The environmental management
19 representative then reviews a report and
20 circulates the report to the managing
21 director and the heads of each department
22 within the company.

23 The audit report is reviewed and
24 corrected preventative actions are
25 established with their expected date of

1 completion.

2 The results are recorded in our
3 company's database. The proposed
4 corrective and preventive actions are
5 reviewed and evaluated to make sure that
6 they shall be effective. And then they
7 are carried out timely and effectively by
8 the responsible party.

9 The environmental management
10 representative monitors that they are
11 carried out timely and effectively.

12 Once they are carried out, the
13 responsible party reports to me that they
14 have been carried out and presents the
15 supporting evidence necessary to close out
16 the actions.

17 And copies of the closed item
18 conformities are provided to the vessel or
19 the air that is being -- the person that's
20 responsible for the air that's being
21 monitored.

22 All the results of internal audits
23 are included in the agenda of our annual
24 environmental management review meeting
25 for review in order for us to verify

1 whether we have any system breakdowns and
2 in the efficiency of our environmental
3 management plan.

4 So in this table we can see when the
5 environmental management plan was
6 implemented onboard, the due date for each
7 internal audit to be carried out and when
8 the internal audit was carried out onboard
9 our vessels.

10 In the version that you have,
11 Mr. Bundy, the Kriton was still pending.
12 But the audit was carried out on the 3rd
13 of July, 2010. So it was just carried out
14 on --

15 MR. BUNDY: On the Kriton?

16 MS. TSOCHLAS: Yeah. On the Kriton.

17 MR. BUNDY: Okay. Thank you.

18 MS. TSOCHLAS: So the next item is
19 Audited Deficiencies and Weaknesses.

20 We have a very efficient internal
21 auditing process, and we believe in
22 transparency and reporting any auditing
23 weaknesses that we find during our audits.

24 Here we have a table. We are not
25 afraid to point fingers of the other

1 departments onto ourself and you can see
2 that in that summary of nonconformities we
3 have issued.

4 So the first nonconformity was
5 actually a failure of my department, and
6 the auditor that carried out that audit
7 was from my department.

8 Shall we move on.

9 And here I have a summary of the
10 deficiencies that were noted during audits
11 carried out onboard our vessels. The
12 company had not provided feedback to the
13 masters environmental review.

14 Each master is required to carry out
15 the environmental review during -- once
16 during his tour of duty and submit it to
17 the company.

18 Once it's been submitted to the
19 company we review it and we provide the
20 master feedback. We have failed to do
21 that in this case. We are now in the
22 process to make sure that we are on top of
23 providing feedback.

24 There was no evidence to demonstrate
25 that the noncrew members had been made

1 familiar with the companies environmental
2 requirements.

3 This was a recurring problem, so
4 we've actually discontinued this form
5 based on Captain Wigger's recommendation.

6 And we are currently preparing
7 notices to be placed at the gangways of
8 the vessels, to communicate to companies
9 with their environmental policy to noncrew
10 members visiting the vessels.

11 There was no evidence available to
12 demonstrate that the master and chief
13 engineer had been familiarized with
14 environmental plan.

15 The color coding of our garbage
16 containers referenced in our enviromental
17 management plan did not correlate with
18 those in the color-coding in the garbage
19 management plan onboard some of our
20 vessels.

21 Through this we discovered actually
22 we didn't have uniformed color-coding our
23 garbage containers throughout our fleet,
24 so we corrected this.

25 Spare filters for the oily water