

APPENDIX A

PART 4 OF 6

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1 separator were not available onboard. A
2 spare stator for the oily water separator
3 was not available onboard.

4 These have been provided to the
5 vessels now. The VGP had not been
6 implemented onboard.

7 The designation of the second
8 engineer as responsible for the use of the
9 oily water separator and the incinerator
10 had not been reported in the vessels
11 engine log book as required by our
12 environmental management plan.

13 The quantity retained in the main
14 engine scavenger tank is recorded on a
15 weekly basis, but the tank was not
16 included in the vessels IOPP certificate.

17 This has been corrected. The
18 incinerator tank had not been included in
19 the IOPP certificate, this has also been
20 corrected.

21 And the company's code of ethics was
22 not available onboard. No records
23 available to indicate that the oily water
24 separator is being maintained in the
25 company's PMS requirements.

1 The newly implemented engine room
2 seal log book and spare seal log book had
3 not been implemented on the time of the
4 audit had been implemented.

5 Decksplates, valve bodies, and
6 handles at cross connections were not
7 painted in accordance with the company's
8 requirements.

9 The time of stop and start of garbage
10 incineration had been reported in the
11 garbage log book. And the discharge of
12 garbage reception facility had not been
13 recorded in the garbage log book.

14 In this case, we found the receipt,
15 but we didn't have the entry in the
16 garbage log book.

17 So corrective and preventative
18 actions were established for all of these
19 deficiencies and have been implemented.

20 MR. CHALOS: Mr. Bundy, may I ask a
21 question?

22 MR. BUNDY: Sure. Yeah.

23 MR. CHALOS: Ms. Tsochlas, the
24 deficiencies that you just went through,
25 were those deficiencies, was that a

1 compilation of all the deficiencies that
2 have been recorded as opposed to
3 deficiencies that are true on every
4 vessel?

5 In other words, were some of these
6 deficiencies on one vessel only?

7 MS. TSOCHLAS: Yes.

8 MR. CHALOS: And not other vessels
9 and so on and so forth?

10 MS. TSOCHLAS: Yes, of course. This
11 is a summary of all deficiencies. It's
12 not necessary but all those deficiencies
13 existed on all of the vessels.

14 It's a collection of our
15 nonconformities through the audits that
16 have been carried out throughout the
17 fleet.

18 MR. CHALOS: So in other words --

19 MR. BUNDY: Any other questions?
20 Okay.

21 MR. CHALOS: Oh, sorry.

22 MS. TSOCHLAS: The corrections or
23 changes to our policies resulting from
24 orders.

25 As we said earlier, the form

1 regarding notification of noncrew members
2 onboard our company -- onboard our
3 company's vessels regarding environmental
4 requirements have been removed. And we
5 replaced it with a notification posted at
6 the gangway.

7 And instructions have been included
8 in the environmental management charting
9 of the environmental provided guidelines
10 on correct completion of the vessel's
11 garbage log book.

12 We have completely reviewed and
13 revised our garbage management manuals so
14 that we can ensure that color-coding of
15 garbage containers onboard our vessels are
16 uniform throughout the fleet.

17 That the location and capacity for
18 the storage of our waste is identified
19 within the plan on a ship-specific basis.

20 And equipment installed onboard our
21 vessels for waste management is included
22 in garbage management manuals along with
23 their instructions for use.

24 We've also included the waste
25 management process that was in our

1 environmental management plan.

2 And I have attached a copy of the
3 garbage management plan, the revised
4 garbage management plan. So that is the
5 end of Item 4.

6 MR. BUNDY: Was any discipline meted
7 out as a result of the deficiencies noted
8 on some of these things about failure to
9 make the appropriate records in the oil
10 record book or any of the other
11 deficiencies that were the result of a
12 specific failure to follow the directions
13 of the established environmental
14 management plan?

15 MS. TSOCHLAS: The process requires
16 that we establish corrective and
17 preventative actions.

18 Preventative actions are our most
19 important in order to ensure that we don't
20 have our recurrence of the issue. Our
21 company believes in a nobling culture. So
22 we don't mete out discipline.

23 We prefer to provide incentives and
24 rewards for good performance rather than
25 disciplinary actions for poor performance.

1 So we prefer to provide training in
2 order to enhance awareness rather than
3 punish them.

4 MR. BUNDY: Mr. Brown?

5 MR. BROWN: Yes. How are you
6 ensuring now that the masters and chief
7 engineers on your vessels are familiar
8 with your EMP, and that the oily water
9 separator is being maintained in
10 accordance with your company's policies?

11 MS. TSOCHLAS: Those are two
12 different deficiencies, so I'll address
13 each one separately.

14 The master and chief engineer would
15 be -- that deficiency was referring to the
16 familiarization form that should have been
17 completed.

18 It's a newly -- we implemented this
19 plan on the first of July of 2009. So in
20 the beginning we did have a few hiccups
21 where forms were completed in the process
22 of implementing the plan.

23 So it wasn't that the master and the
24 chief engineer were not familiar with the
25 requirements, they hadn't completed that

1 form in order to implementing them.

2 Before implementing the environmental
3 management plan, we made sure that we had
4 superintendents go onboard and carry on
5 training regarding that plan prior to
6 implementing it.

7 So we could minimize to the best of
8 our ability any hiccups.

9 Now, when it comes to the oily water
10 separator and the sewage treatment plan
11 maintenance records, that was a problem
12 with our specific vessel with our
13 electronic plan maintenance system.

14 It had some of the requirements
15 according to makers, as tasks, it didn't
16 have all of them. So those have been
17 included in the electronic plan
18 maintenance and they are recorded there
19 now.

20 It wasn't that our -- our chief
21 engineers carry out maintenance in
22 accordance with the makers instructions,
23 they just didn't have the ability to
24 record them in the electronic plan
25 maintenance.

1 MR. BROWN: So it sounds like these
2 were really documentation issues which
3 have been corrected to your satisfaction?

4 MS. TSOCHLAS: Yes. Yes.

5 MR. BROWN: Okay. Thank you.

6 MR. BUNDY: Thank you. Continue,
7 please.

8 MS. TSOCHLAS: Okay. Item 5 regards
9 our plan to call at U.S. ports. The Theo
10 T had her first call at the US port in
11 Guam on the 13th and 14th of May 2010 that
12 went very smoothly.

13 After that, she called on Long Beach,
14 California from 20th of June 2010 to the
15 25 of June.

16 At the moment she is in Peru, we're
17 not too sure where she is going to be
18 discharging her cargo. As of yet Brutus,
19 Estia and Fidias have no current schedule
20 for being in the US.

21 We have requested that Brutus and
22 Estia be included in the coverage of the
23 program with -- in the same line as for
24 the M/T Theo T and Fidias, that we want
25 our vessels to be able to trade anywhere

1 in the world without limitations.

2 MR. BUNDY: I'm sorry. If you could
3 just slow down a little bit.

4 I'm having a little trouble hearing
5 as it's coming through.

6 MS. TSOCHLAS: All right.

7 MR. BUNDY: Thank you.

8 MR. WIGGER: I have a quick question
9 on the Theo T, two U.S. port calls, were
10 there any Court Guard boarding --

11 MR. CHALOS: Be patient.

12 MR. WIGGER: Okay. All right.
13 Great.

14 MS. TSOCHLAS: We'll analyze that
15 data.

16 The second item regards the status of
17 Ionia's compliance with the VGP.

18 At first we had submitted notices of
19 intent only for the Fidias and the Theo T
20 as they were the only ones that could
21 trade in the US.

22 Since then, we have submitted notices
23 of intent for the Plutos and the Estia and
24 the Gia was submitted on the 30th of
25 June 2010, which, in your presentation,

1 Mr. Bundy, would still be pending.

2 Here are copies of the letters
3 confirming submission of the notices of
4 intent provided by the EPA.

5 MR. BUNDY: Okay.

6 MS. TSOCHLAS: In order to --

7 MR. BUNDY: I see those.

8 MS. TSOCHLAS: In order to implement
9 the VGP, developed plans were placed on
10 onboard our vessels and we submitted the
11 notices of intent.

12 Item C is whether the M/T Plutos and
13 M/T Estia have satisfied the requirements
14 contained in the special master order.
15 Here we have a table showing our progress
16 of implementation.

17 The implementation of the
18 environmental management plan was carried
19 out in the 28th of January 2010 onboard
20 the Estia.

21 In the end of April, we began
22 submission of the documentation. We
23 submitted first for the month of February
24 and then for each month after that.

25 The SWOMS has not yet been installed

1 onboard the vessel. The parts -- the unit
2 is onboard and the seafarers are presently
3 in the process of installing the sensors
4 in the tanks-in the engine room. So
5 commissioning has not been completed yet.

6 The Plutos, onboard the Plutos, the
7 environmental management plan was
8 implemented on the 13 of September, 2009.

9 Documentation began to be submitted
10 at the end of April and submitted for the
11 month of February 1, since each month.

12 The SWOMS has been fully installed
13 onboard as of the 23rd of April 2010,
14 commissioning has not yet been completed
15 yet because we are still getting the
16 communication systems together. Once we
17 have the SWOMS fully commissioned onboard
18 both vessels, we'll request from Captain
19 Wigger the initial orders to be carried
20 out.

21 When we say data of implementation of
22 environmental management plan, that
23 includes all the requirements, the
24 documents and requirements and procedural
25 requirements that have been included in

1 the scope of work.

2 Okay. And then, this is what we were
3 looking for the Theo T called at Guam on
4 13th of May 2010.

5 The Coast Guard boarded the vessel
6 and carried out the renewal COC and
7 carried out the expanded MARPOL
8 examination. Four officers of the Coast
9 Guard boarded the vessel to carry out the
10 inspection, and I was there as well.

11 No deficiencies were observed during
12 that inspection. And then when she called
13 at Long Beach in June 2010, everything
14 went very smoothly there. We didn't have
15 a Coast Guard boarding at Long Beach.

16 We have a copy of the certificate of
17 compliance that was issued for the review
18 and inspection, which right at the end
19 shows that we had zero deficiencies,
20 bottom of the page. The deficiencies are
21 none.

22 So that's the end of Item 4 -- 5.

23 MR. BUNDY: Questions?

24 MR. CASHMAN: You reviewed the --

25 MR. BUNDY: I wonder --

1 MR. CASHMAN: I'm sorry.

2 Mr. Bundy?

3 MR. BUNDY: Go ahead.

4 MR. CASHMAN: Thank you, sir.

5 When you received the reports back
6 with the discrepancies, who do you report
7 that to within the company?

8 MS. TSOCHLAS: The managing -- we
9 report the discrepancies to each -- each
10 department is notified of all of the
11 nonconformities, and then corrective and
12 preventive actions are established with
13 the responsible parties.

14 And the managing director is notified
15 of the results of all of our internal
16 audits.

17 MR. CASHMAN: One of our ongoing
18 concerns is that the -- as the senior
19 management and potentially the owners of
20 the company are well aware as to what's
21 happened onboard the vessels.

22 I'm just looking to confirm that any
23 concerns that are found to your work and
24 your team is reported up sufficiently so
25 that can be addressed.

1 MS. TSOCHLAS: That efficient within
2 that company is quite -- that process is
3 quite efficient within our company because
4 we have daily meetings with senior
5 management where we report all the events
6 and actions that are taking place in the
7 company on a daily basis on our fleets.

8 So senior management knows on a daily
9 basis what inspections are being carried
10 out onboard our vessels. And then
11 following inspections, what the results
12 were.

13 That's done -- that's a verbal
14 meeting and then the results of the
15 inspections are circulated to senior
16 management following completion.

17 And in addition to that, we have an
18 annual management review where the results
19 and key performance indicators are
20 discussed with senior management.

21 MR. CASHMAN: Thank you.

22 MR. BUNDY: Okay. Terrific.

23 I wonder if we might take a break if
24 you would indulge me.

25 I'm not supposed to sit for long

1 periods of time, so I'm going to have to
2 take about a ten minute break to walk
3 around a little bit.

4 If we could hold it to ten minutes
5 it's, I guess, 20 minutes to 11:00 your
6 time. And if we could reconvene at ten
7 minutes to 11:00, I'd appreciate it very
8 much.

9 Okay. We can go off the record.
10 Thanks.

11 (THEREUPON, THERE WAS A RECESS
12 TAKEN.)

13 MR. BUNDY: Okay. I guess it looks
14 like everybody is back in place.

15 Just continue where you left off.
16 Thank you.

17 MS. TSOCHLAS: Okay. We are at Item
18 6, the Environmental Management Plan. The
19 status of training on environmental
20 management plan.

21 The first column shows when training
22 was carried out. And the second column
23 shows when the plan was implemented
24 onboard.

25 Generally, we try to carry out the

1 training first and then the
2 implementation. In some cases where the
3 vessel was not easily accessible, we
4 implemented the plan and then at the first
5 opportunity boarded the vessel to carry
6 out the training.

7 So the plan is being implemented
8 onboard our vessels and training has been
9 carried out onboard all vessels.

10 Now, for feedback from fleet and
11 shore-side personnel, we, again, developed
12 an opinion survey both for seafarers and
13 for shore-based personnel, in order to get
14 some feedback regarding the implementation
15 of the environmental management plan.

16 This is distributed to the
17 shore-based -- to the seafarers.

18 Now, most of our company's personnel
19 found the level of language to be very
20 satisfactory. They were kind of divided
21 by the workload.

22 Some found it to be satisfactory,
23 while others found it to be very
24 satisfactory. The implementation within
25 the company and onboard was found

1 generally to be satisfactory.

2 And the improvement to the
3 environmental awareness ashore and on
4 board were generally found to be
5 satisfactory.

6 And then our seafarers were requested
7 to grade their level of satisfaction in
8 elements like the environmental policy,
9 the nonretaliation policy, the ethics
10 policy, the level of knowledge provided by
11 environmental management plan, the
12 workload, the implementation onboard their
13 vessel, the communication of the
14 environmental management plan to the
15 seafarers, the anonymous reporting
16 procedure, the waste treatment reporting
17 process and the role of the CCM.

18 Generally, most of the seafarers
19 found most all of those elements of the
20 environmental management plan to be
21 satisfactory.

22 Then changes that are made -- have
23 been made to the environmental management
24 plan since we've implemented it. A number
25 of those changes were based on the

1 recommendation by Captain Wigger following
2 his order to board our vessels.

3 We -- originally Section 1 required
4 our company policies to be posted on five
5 locations on the vessel.

6 On the bridge, the engine room and
7 the masters cabin, the chief control room
8 and the chief engineer's cabin. We've
9 also placed those policies now on the
10 officer and crew mess rooms.

11 In Section 5.16 of the plan, the
12 fresh water flushing line in the OWS
13 discharge line which can be painted --
14 were required to be painted a bright color
15 based on Captain Wigger's recommendation
16 be more specific.

17 And the fresh water flushing line is
18 painted blue, while the discharge line is
19 painted orange.

20 Section 5.17, we have provided
21 guidelines for import testing of the oily
22 water separator and the content meter,
23 with the use of an appropriate test fluid
24 that is provided by the makers of the oil
25 content meter.

1 Section 5.21, we have provided
2 instructions requiring that seals are
3 installed on the ODME sample line. Those
4 seals are installed and then recorded in
5 the seal log book available onboard.

6 In Section 6.3, the waste management
7 stream management process has been
8 expanded in order to include special waste
9 chemicals, fluorescent bulbs, print
10 cartridges, pyrotechnics, solvents,
11 degreasing and cleaning waste and boiler
12 engine chemicals.

13 Section 9.5, instructions have been
14 provided requiring that the retention of
15 bulges onboard is recorded in the oil
16 record on a weekly basis.

17 This is the recommendation that's
18 voluntary from a recommendation MARPOL.
19 But based on Captain Wigger's
20 recommendation, have included a company
21 requirement.

22 Section 9.5, instructions have been
23 included to provide guidance on company
24 requirements regarding proper completion
25 of Part 2. Oil record book Part 2.