

Loss of statutory certificates sees TAL fleet sidelined by US

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A controversial US-flag owner has seen its three-ship fleet ordered out of action by the US Coast Guard (USCG) after being repeatedly admonished over chronic maintenance issues.

The company is Gudmundur Kjaernested's Greenwich, Connecticut-based Transatlantic Lines (TAL), an operator of three small oceangoing ships under charters and contracts of affreightment (COAs) to the US military.

The loss of trading privileges has left other operators looking to

take on TAL's contracts. But only a small group of companies have US-flag tonnage legally and commercially qualified to take on TAL's government contracts.

John Hannon, the Washington, DC-based head of vessel activities for the USCG, confirms to TradeWinds that he withdrew TAL's document of compliance (DOC) in December after issuing a series of temporary 90-day documents this year that were meant to allow the Connecticut company to rectify safety issues on the vessels and in the company's management practices.

Hannon came personally to Connecticut and took the action in mid-December together with officials of TAL's two classification societies, the American Bureau of Shipping (ABS) and Det Norske Veritas (DNV), after the failure of previous opportunities TAL had been given to correct its safety problems.

Hannon tells TradeWinds he does not recall any company previously losing its right to trade through having its DOC revoked.

Under the International Safety Management (ISM) Code, flag states issue a DOC to certify that a ship operator has a satisfactory Safety Management System (SMS) in place; without a DOC, a company cannot have valid SMS certificates for its individual vessels. Thus Transatlantic Lines's loss of the DOC entailed that its ships lost their SMS certificates and cannot trade.

"We have a very good partnership with ABS and DNV and we were all in agreement that the

documents should be withdrawn until it was demonstrated that the company was implementing the SMS," Hannon told TradeWinds. "The ships were ordered back to port."

But Hannon says the operator took the issue seriously and intends to take steps to restore the fleet to trading.

A temporary version of the DOC has subsequently been issued to TAL to allow it to have its ships reaudited. But for now, none of the ships have SMS certificates. A reaudit is scheduled in something over a week for one TAL ship, the DNV-classed, 5,500-dwt tanker *Transpacific* (ex-*Bonito*, built 2001) but Hannon says he



USCG: TAL has lost its trading privileges from the US Coast Guard (USCG) after being 'repeatedly admonished over chronic maintenance issues'.

Photo: Bloomberg News

for military contracts

has received no communication about scheduling reaudits for the other TAL ships.

In the meantime, however, the tanker is said to have lost its long-term time charter from the US military because of the USCG action.

TAL's fleet includes two dry cargoships, the 369-teu, 5,000-dwt *Transatlantic* (ex-*Baffin Strait*, built 1997) and 130-teu, 2,000-dwt *Geysir* (built 1980), as well as the small products tanker *Transpacific*, which has previously served the US military carrying jet fuel between Japan and South Korea but which is currently out of action at Guam, where it arrived in mid-December.

TAL has two dry cargo COAs, one for a 25-day shuttle service from the US to the Azores and another from Cape Canaveral, Florida, to Ascension.

A TAL competitor, Ragnar Meyer-Knutzen of Long Island-based Sealift Inc, confirms TAL has

chartered in one of Sealift's ships for the Ascension business, the 4,000-dwt *Ascension* (built 1993), which has the gear required for that trade.

TAL's geared containership *Transatlantic* is said to be at Klaipeda in drydock now after a serious engine malfunction was repaired at Kiel. That ship, under its former name, made headlines in March 2010, when TradeWinds revealed that the USCG had for the first time ejected a ship from the alternative compliance programme (ACP) under which it allows class societies to perform statutory inspections.

The gearless *Geysir* is currently at Little Creek, Virginia, unable to perform the next Azores run because of its lack of certificates.

A fourth TAL unit, a tug operated in Caribbean tug-barge services, is not affected because it trades to US ports including Puerto Rico and Guantanamo Bay. The ISM code does not encompass domestic-trading vessels.