



# CHAMBER OF SHIPPING OF AMERICA

## MONTHLY REPORT

OCTOBER 2018

- **CSA met with the White House NSC, State Department and USCG.**
- **CSA attended the IMO Green House Gas Working Group in London.**
- **CSA attended IMO's MEPC 73 in London.**
- **Chaired the International Chamber of Shipping's Environmental Subcommittee and participated in the ICS Marine Committee.**
- **CSA participated in the Consultative Shipping Group at the Canadian Embassy in Washington, DC.**
- **Board of Directors, Policy and Operations Member meetings conducted.**
- **Participated in the industry roundtable working group for the third revision of *The Guidelines on Cyber Security Onboard Ships*.**
- **Annual Environmental Achievement Awards dinner held in Washington, DC.**
- **Met with Danish Embassy on maritime issues.**
- **Give CSA a follow on  [@CSAKnowships](https://twitter.com/CSAKnowships)**

**NOTE TO THE READER:** Reference to the Federal Register may be found at <http://www.gpo.gov/fdsys/browse/collection.action?collectionCode=FR>. Please note new address and format for Federal Register retrieval due to upgrade in US government website.

References to legislation may be found at <http://thomas.loc.gov/> by entering the bill number (HR 802, S 2841) in the "search bill text" block found at the center of the page.

### **WISTA 2018 International Personality of the Year**

The CSA Board is pleased to announce that CSA's President, Kathy Metcalf, was named the Women's International Shipping and Trading Association's (WISTA) International Personality of the Year at its Annual General Meeting in Tromso, Norway. Formed in 1974, WISTA International is a global organization connecting female executives and decision makers around the world. WISTA International serves as a connector for its network of more than 3,000 female professionals from all sectors of the maritime industry. More than 40 countries support a National WISTA Association (NWA), each of which in turn is a member of and is guided by WISTA International. NWAs provide in-country and regional networking, business and skill building opportunities, corporate visibility, and also facilitate relationships within the industry. Membership in WISTA US is open to both men and women seeking to benefit from the exceptional energy, expertise and networking capabilities of WISTA members. For more information about WISTA and membership opportunities, please see the WISTA website at <https://www.wista.net/>



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### **Status of CVIDA Legislation**

Current text of the bill previously known as CVIDA is now attached to the USCG Authorization Bill which has been scheduled for another cloture vote when Congress returns for its election recess. It is expected that the cloture vote will occur on November 13, 2018 and assuming a successful result, the entire USCG Authorization Bill will be subject to a vote the following day on November 14, 2018. While some have indicated the text is "locked in", we have learned in discussions with Hill staff, that negotiations are ongoing and may find their way into the bill through a Manager's amendment. There is no way to predict what changes may be contained in any amendment thus it will be incumbent on the regulated community to timely review the bill assuming it successfully passes the Senate in order that input may be provided to House staff when received in the US House of Representatives for action.

### **2020 Sulfur Cap – Apparent Change in US position**

On Friday of the week prior to MEPC 73 (during the GHG working group session), the Wall Street Journal published an article suggesting the US administration was supportive for the creation of an experience building phase for the 2020 sulfur cap implementation. This was a significant surprise to CSA staff and represents a diametrically opposite position for the US at IMO which previously supported the certainty associated with the selection of the 1 January 2020 date. After much discussions with points of contact in the US, it was determined that this "new" US position had been mandated by the White House's National Security Council (NSC), Office of Environment and Energy. To the best of our knowledge the White House's Council on Environmental Quality (CEQ) had not been a part of this decision and most likely had not even been informed of the NSC position as described in the Wall Street Journal article. The week following, the ICS Secretary General, Deputy Secretary General, CSA President and CSA staff had the opportunity to meet with three key players in the NSC Office of Environment and Energy to discuss the change in US position and to emphasize the ICS position that supports the certainty inherent in the establishment of the 1 January 2020 global cap implementation to both the shipping industry and petroleum refiners/fuel suppliers while continuing to express concerns relative to fuel availability and fuel quality/compatibility issues and the need for reasonable port state control approaches to non-compliance situations which arise, in spite of documented best efforts by shipowners to comply. CSA's president indicated that this reasonable port state control approach requested in this situation is no different than that which was applied by the US government in the early implementation days of the North American emissions control area.



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### **Save Our Seas Act of 2018 (S.3508)**

The Save Our Seas Act (S.3508) which includes in Title II, Maritime Safety or more commonly known as the Maritime Safety Act of 2018, passed the Senate on September 26th and passed in the House again on September 27th and was signed into law by the President on October 11, 2018. CSA sent a full analysis of this Act out to members, a few quick points to know that may directly affect Members:

1. GAO will conduct an audit on the effectiveness and implementation of the SMS by USCG which will likely include your company's SMS and vessels.
2. Distress signaling and location technology will be required for each person onboard or minimum crew required by the COI whichever is higher within 1 year from enactment. Vessels operating within territorial waters of the US exclusively are exempt from this requirement.
3. Regulations will require owners/operators to maintain records of all incremental weight changes and the aggregate total of weight changes over time. This section is not supposed to require/replace any regulations for maintaining operational weights for specific voyages. It is to ensure that when vessels undergo a change to their physical structure that affects weight or stability they maintain a record.
4. USCG will negotiate with IMO to amend SOLAS to require; high-level alarm sensors in each cargo hold, float free VDR arrangement with integrated EPIRB, require vessels receive timely synoptic and graphical chart weather forecasts
5. Increase the Major Marine Casualty Property Damage Threshold from \$500,000 to \$2,000,000.
6. USCG will issue Flag State guidance for the inclusion of comprehensive damage control information in the SMS.
7. USCG will work with RO's to create a single US Supplement to rules for classification of vessels.
8. USCG directed to establish an anonymous safety alert pilot program within one year of enactment. This program shall provide crew with an anonymous way to communicate urgent safety concerns directly to USCG.

Here is a link to the full text of the Bill: [Save our Seas Act of 2018](#)



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### **Status of US EPA Vessel General Permit (VGP)**

As reported in last month's summary, EPA provided CSA with advice on the status of the VGP. At that time we indicated that EPA would be issuing a policy letter on these issues. The text of the policy letter is as follows:

**(BEGIN QUOTE)** We are emailing you to share the latest information on reissuance of the U.S. Environmental Protection Agency's National Pollutant Discharge Elimination System (NPDES) Vessel General Permit (VGP).

The 2013 VGP will not be reissued prior to its December 18, 2018 expiration date, but will be administratively continued and remain in effect until a new permit is issued. Owners/operators of vessels operating under the administratively continued permit are expected to comply with the terms and conditions of that permit. EPA stands ready to assist those applying for VGP and will continue its work on reissuing the permit, with a targeted timeframe of permit proposal in spring 2019.

**For vessels covered by the permit as of December 18, 2018:** Coverage will continue. We recommend owners/operators of vessels double-check that their vessels have active Notices of Intent (NOIs) or Permit Authorization and Record of Inspection (PARI), as appropriate, prior to the December 18, 2018 permit expiration date. You can use the online public search tool available at: <https://ofmpub.epa.gov/apex/vgpenoi/f?p=vgp:Search> to identify vessel NOI status. Updates to any NOIs submitted prior to December 18, 2018 (e.g., updates to owner/operator information) can still be made after December 18, 2018.

**For vessels currently without permit coverage:** Because coverage under the VGP cannot be obtained after the permit's expiration date, EPA strongly encourages owners/operators of eligible vessels currently without permit coverage to seek it prior to December 18, 2018. Such eligible vessels include vessels that are currently under construction or that have not previously operated in US waters.

For information about how to apply for a VGP and eligibility requirements, visit <https://www.epa.gov/npdes/vessels-vgp>.

Contact us about the VGP via email at [vgp@epa.gov](mailto:vgp@epa.gov) **(END QUOTE)**



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### **Coast Guard update to Navigation and Vessel Inspection Circular 02-95, Change 3-“The Alternate Compliance Program”**

NVIC 02-95 provides guidance regarding execution on behalf of involved parties of the Coast Guard’s Alternate Compliance Program (ACP). The NVIC contains four enclosures. The first enclosure, Enclosure (1), provides an overview of fundamentals and purpose of the ACP. The remaining enclosures, Enclosures (2)-(4), outline the responsibilities delegated to the companies, recognized organizations and Coast Guard for proper implementation of the ACP. On October 10, 2018, the Coast Guard released the third change to NVIC 02-95. CSA sent a full summary out to members, the important changes are briefly listed below:

- Aligned procedures and terminology with the International Code for Recognized Organizations (RO Code).
- Integrated ACP program management with the Coast Guard’s Mission Management System (MMS), which is an International Standards Organization (ISO) 9001 based Quality Management System in order to support key Coast Guard internal business processes, information flows, reporting and data analytics.
- Incorporated other procedures and instructions including the ACP Tactics, Techniques, and Procedures (TTP) and various MMS documents (e.g., MMS Work Instructions), which focus on individual aspects of the ACP and facilitate more frequent programmatic updates. The Coast Guard released the ACP TTP in January 2018. The purpose of this document is to consolidate, update, and standardize guidance for Coast Guard personnel conducting ACP examinations. This TTP provides standardized guidance that enhances on-the-job-training (OJT), minimizes interpretation and promotes consistency. A copy of the Coast Guard ACP TTP can be found [here](#).
- Accepted that transfers of vessel classification may be completed under the provisions of International Association of Classification Societies Procedural Requirement 1A.
- Provided details on the Coast Guard’s Fleet Risk Index for vessels enrolled in the ACP. The Fleet Risk Index is a Coast Guard internal program used to identify vessels that could present a safety or environmental risk. The index is developed using a risk model that considers and weighs multiple risk factors resulting in an ordered list of vessels that may be selected for additional oversight. Assessed risk factors include, inter alia, vessel detentions (Port and Flag State), vessel related marine casualties, marine violations/enforcement, documented major non-conformities issued under the ISM Code, vessel deficiencies, vessel type, and vessel age. In addition, vessels may be added or subtracted from the Fleet Risk Index based on recommendations from the cognizant OCMI. The Coast Guard reserves the right to modify



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assessed risk factors, assigned weights, or frequency of which the Fleet Risk Index is updated.

- Removed provision for involuntary disenrollment from the ACP.

For more information, read or download [NVIC 02-95, Change 3](#).



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