



CHAMBER OF SHIPPING OF AMERICA

MONTHLY REPORT for BIMCO

June 2018

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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.

Update on Commercial Vessel Incidental Discharge Act (CVIDA)

Robust negotiations continue among the maritime industry and majority and minority Members and Staff in the US Senate. Over the past month, multiple drafts representing counteroffers have been circulated with industry providing comment to both majority and minority Congressional staff. These discussions represent an attempt to identify a workable compromise that will allow minority Senators who previously had supported (and in some cases, co-sponsored) the CVIDA text but then voted against it for a variety of reasons, some purely political in nature, others substantive in nature. Although Congress is currently focused on a number of more volatile issues unrelated to the maritime industry, there seems to be a willingness on both sides of the aisle to find a suitable compromise for all stakeholders. CSA continues to hold fast to assuring the agreed upon text contains the critical provisions of eliminating the VGP and creating one national program to regulate discharges incidental to the operation of commercial vessels and a suitable preemption clause that would minimize if not eliminate the current patchwork quilt of requirements imposed by individual states under the current VGP 401 certification program. CSA will continue to participate in these discussions between the industry coalition and Congress and will advise on any future developments and hopefully a suitable agreement as soon as information becomes available.

US Legislation on Export of Crude Oil and LNG

As reported in last month's report, this set of parallel bills (S 2916, HR 5893) were introduced in May 2018 by Senator Wicker and Congressman Garamendi respectively. While CSA does not normally report on "no activity" on a particular issue, due to the number of questions we have fielded over the past month on these bills, we advise that no action has been taken on any of these bills



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including scheduling of a hearing which we would anticipate to be the first step in moving these bills through the legislative process.

VGP 3.0 – Where is it?

Given the expiration of VGP 2.0 in mid-December 2018 and the critical need to have something in place e.g. VGP 3.0 when VGP 2.0 expires (the Clean Water Act requires these discharges to be covered by a discharge permit), CSA continues discussions with EPA on possible alternatives including extension of the current VGP 2.0 for some period of time or reissuance of VGP 2.0 as VGP 3.0 for the full 5 year permit term. Given the current posture of the Trump Administration on regulatory reform and the possibility of successful enactment of CVIDA which would include a transitional program from the current VGP/USCG regulatory structures, we do not expect any major changes to the current requirements regardless of whether the current VGP is extended or reissued for its full term.

Maritime Regulatory Reform Request for Comments

As you recall from last month's report, the Office of Management and Budget (OMB) is seeking public comment on how existing agency requirements affecting the maritime sector can be modified or repealed to increase efficiency, reduce or eliminate unnecessary or unjustified regulatory burdens, or simplify regulatory compliance while continuing to meet statutory missions.

CSA drafted comments that were emailed for visibility. The following principles will be addressed in our comments:

- It is critical that the US support regulatory initiatives that create a level playing field for vessels calling in US ports, regardless of flag.
- Complete alignment of US and IMO regulations should be the ultimate goal where feasible and practicable, noting that such alignment may require statutory changes before the regulations can be fully aligned.
- Federal Statutes should preempt State actions to eliminate multiple regulatory requirements (federal versus state) or conflicting requirements for vessels calling in US ports.
- The US should enact the Vessel Incidental Discharge Act (VIDA) to eliminate the duplicative and sometimes conflicting requirements resulting from the regulation of vessel discharges (most importantly ballast water) by two separate statutes and two regulatory agencies (USCG, EPA).



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- Through changes in existing regulations, the US should at least minimize, if not eliminate the differences between IMO's Ballast Water Convention, application of the IMO guidelines and existing US regulations.
- The USCG should conduct a new costing analysis for implementation of the ballast water regulations in view of recent decisions which would force vessels into dry-dock for system installation off schedule given that the original costing analysis assumed that installations would occur during regularly scheduled dry-docks.
- The US should ratify all major IMO and ILO Conventions and Annexes and if necessary modify existing statutes to permit these ratifications to the maximum extent possible.
- U.S. should remove its reservation on the agreed IMO Greenhouse Gas Emissions Strategy and fully support the way forward in the future development of the strategy including the impending review of short, medium and long term reduction measures.
- A full and transparent review of the OPA 90 planning and response requirements including the salvage and marine firefighting requirements should be conducted by USCG in consultation with the maritime industry to identify and resolve current situations where USCG interpretations of existing regulations have resulted arguably in the imposition of more stringent requirements than are supported by the existing statute and implementing regulations.
- The Alternative Compliance Program (ACP) as applicable to US flag vessels should be continued and promoted.
- The US Customs and Border Patrol (CBP) should revise its current regulatory ruling process to provide adequate notice e.g. publication in the Federal Register, to the regulated community of new rulings as well as ensure consistent and transparent decision making at the field office level.
- The *Executive Order Regarding the Ocean Policy to Advance the Economic, Security, and Environmental Interests of the United States* should be fully executed.
- Federal Advisory Committees overseen by the USCG should be fully funded on a regular basis to avoid the current situation where committees stand idle until delayed funding can be reinstated.



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- The EPA should conduct a gap analysis of US Clean Air Act statutory requirements and implementing regulations and the current MARPOL Annex VI requirements including a cost analysis of these gaps to reflect costs imposed by more stringent US requirements.
- NOAA should review its current whale protection programs, including the North Atlantic Right Whale regulatory structure which currently imposes mandatory speed restrictions based on historical whale location data versus the more appropriate strategy of imposing speed restrictions based on real time data indicating where whales are currently sighted.
- USCG should prioritize the Seafarer Access to Maritime Facilities (Docket ID: USCG-2013-1087) proposed rule and produce the final rule. This proposed rule has is five years old and without the final rule precludes seafarers with proper documentation access to shore facilities.

Full text of the Federal Register Notice: [FR Vol 83 No 96 - May 17, 2018](#) Those seeking to submit comments should note the extensive list of 15 questions and guidance for submission of supporting information/data to support responses to these questions.

White House's New Executive Order on Ocean Policy

CSA met with White House officials hours before the *Executive Order Regarding the Ocean Policy to Advance the Economic, Security, and Environmental Interests of the United States* was signed by the President. This rescinded the National Ocean Policy implemented by the previous Administration and our meeting dove into the various aspects and future of the new Ocean Policies set forth. CSA has worked diligently alongside other organizations with this Administration to ensure the progress made would not be lost by eliminating the National Ocean Policy altogether while recognizing elements that needed attention.

We are pleased the following core elements critical to our members' interests for ocean planning are included in the White House's new Executive Order.

1. Coordination across federal agencies and stakeholder engagement which is critical to ensure shipping safety, concerns and priorities are understood and acted upon.
2. Publically accessible data portals which provide access to maps, data, and information needed by state and federal agencies and industry which lead to more informed management decisions.
3. Regional Ocean Partnerships at the State level where organizations will work together and with federal agencies to define ocean management



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priorities. The new policy directs federal agencies to assist coastal states and regions in achieving their management goals.

4. Establishing an interagency Ocean Policy Committee to streamline Federal coordination. The Ocean Policy Committee will be co-chaired by the Council on Environmental Quality and Office of Science and Technology Policy.

Full Text of the Executive Order:

[Executive Order Regarding the Ocean Policy to Advance the Economic, Security, and Environmental Interests of the United States](#)

White House fact sheet on the new policy:
<https://www.whitehouse.gov/briefings-statements/president-donald-j-trump-promoting-americas-ocean-economy/>

Release of BMP5, GOG Guidance V3 and New Maritime Security Guidance and Resources

The shipping industry released the long awaited Best Management Practices 5 (BMP5) along with a new publication Global Counter Piracy Guidance for Companies, Masters and Seafarers; a revised edition of Guidelines for Owners, Operators and Masters for protection against piracy and armed robbery in the Gulf of Guinea region; and a new maritime security website. These are all free to use for companies and seafarers.

- BMP5: Best Management Practices to Deter Piracy and Enhance Maritime Safety in the Red Sea, Gulf of Aden, Indian Ocean and the Arabian Sea containing guidance on region-specific threats. Link to Full Document: [BMP5](#)
- Global Counter Piracy Guidance for Companies, Masters and Seafarers is a new publication containing guidance on piracy and armed robbery worldwide (See Annex A). Link to Full Document: [Global Counter Piracy Guidance](#)
- The third edition of the Guidelines for Owners, Operators and Masters for protection against piracy and armed robbery in the Gulf of Guinea region is also provided (See Annex C). Link to Full Document: GOG Guidelines Version 3
- A new website dedicated to providing comprehensive maritime security guidance to companies and mariners. The new website www.maritimeglobalsecurity.org is intended to serve as a one-stop shop for companies and mariners seeking guidance on a wide range of maritime security issues.



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CSA Annual Safety Achievement and Devlin Safety Awards Program

CSA held its annual safety achievement and Devlin safety awards program in New Orleans, LA on June 5, 2018. Over 200 people representing 74 companies attended the annual industry sponsored event where 1616 vessels with 10,501 cumulative years of accident free operations received awards.

Since 1958, the Chamber of Shipping of America (CSA) has also sponsored the Safety Achievement Award program which recognizes outstanding feats of safety that contribute to saving a life, a ship or other property. This was the Sixtieth Anniversary of the program.

In opening remarks, Kathy Metcalf, CSA President said: "CSA's members are committed to safe operations and CSA's involvement in safety is longstanding with our ongoing commitment to represent the industry, domestically and internationally, on safety issues encompassing every facet of ship operations. It is only fitting that an industry so focused on safety, publicly recognizes the skills and dedication of the women and men who have enabled these many years of safe operations and who are responsible for actions in keeping with the highest traditions of the sea – aid to those in peril."

CSA's awards programs are open to all maritime industries regardless of membership in CSA. For more information on these programs, please note participation requirements can be found at the news and events section of our website at <http://www.knowships.org/news.php>. Please note our upcoming Environmental Awards Dinner scheduled for November 7, 2018 in Washington, DC. All are welcome to participate and need not attend the event to receive an award.