

# Maritime Security Issues

MEDITERRANEAN SHIPPING COMPANY

&

PROPELLER CLUB

- Jun.2003 -

# International and US Maritime Security Initiatives

- **C-TPAT program** US Customs Jul.2002 
- **Advance Cargo Manifest** US Customs Oct.2002 
- **Maritime Transportation Act of 2002 (MTSA)** US Government Nov.2002 
- **SOLAS Amendment** IMO convention Dec.2002 
- **ISPS - International Ship and Port Security**
- **CSI - Container Security Initiative** US Customs Aug. 2002 
- **Updatings** 

# US REGULATIONS

## Customs-Trade Partnership Against Terrorist

- Purpose: To ensure the security of cargo entering US ports on each segment of Supply Chain of transport;  
Supply Chain: Importers, Customs Brokers, Freight Forwarders, NVOCC's, Consolidators, Manufactures, Exporters, Warehouses, Carriers, Port Authorities;
- Scope: To provide “Controlling and Monitoring” evidences on the securities aspects of the Company”- Vessel x Cargo x Personnel;  
Vessel: Vessel Security Plan > (IMO - ISPS)  
Cargo: Advance Cargo Manifest, Safety flow of information;  
Personnel: On board / Shore > (Education and Training Awareness)
- Agreement: signed by MSC with US Customs on 19th.July.2002;
- Submission of “Executive Summary” with MSC Intern Procedures for on 19th.Sep.2002;
- Validation Process will be carried out to verify the Self-Police;

## US Customs Regulations - Purposes

- “To enable Customs to evaluate the risk of smuggling weapons of mass destruction through the use of oceangoing cargo containers before goods are loaded on vessels for importation into the United States”;
- The regulation will become effective on 30 days, as from 1st.November.2002, an additional 60 day phase-in period when penalties will not be applied resulting in a 90 day transition period - 2nd.February.2003;

## US Customs Regulations - Advance Cargo Manifest

- The New Regulations require the Advance and Accurate presentation of Cargo manifest 24 hours before loading cargo on a vessel actually destined for the U.S. ports;
  - Generic descriptions, specifically those such as “FAK”, “General Cargo”, “STC”, “Chemicals”, “ Foodstuff” are not acceptable.
  - Harmonized Code;
  - AMS > Automated Manifest System > Flow of Information

# US Customs - Legal Implication (1/2)

- Failure to Provide information;

In the event Carrier fails to provide the required inbound cargo declaration data to US Customs for all cargo to be loaded on its vessel within the time period required by Customs regulations it may, among other things:>

- be assessed a civil penalty
- denied permission to unload the cargo for which information was not timely provided,
- and/or denied permission to unload any cargo from the vessel on which the cargo is moving.

## US Customs - Legal Implication (2/2)

- If Carrier is assessed a civil penalty or denied permission to unload cargo,
  - then any and all shippers, consignees, cargo owners, Nvocc's and their agents that failed to provide the information required by this rule and /or by the regulations of the US Customs Service >
    - in a complete and accurate manner >
      - shall be jointly and severally liable to indemnify and reimburse Carrier for any such penalty and
      - any and all costs incurred by the Carrier as result of the denial of permission to unload cargo;

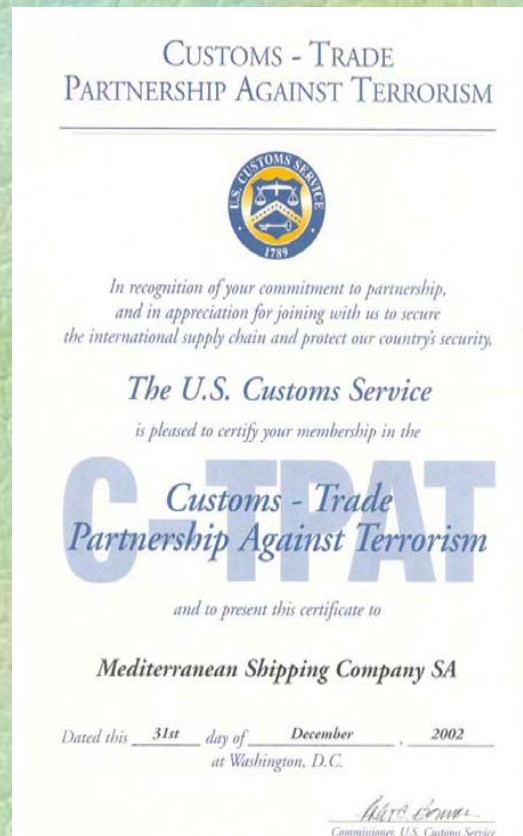
## CUSTOMS REGULATIONS - Penalties

- “The Master of a vessel who commits any such violation is liable for a civil penalty of \$ 5.000,00 for first violation and \$ 10.000,00 for each subsequent violation and any conveyance used in connection with any such violation is subject to seizure and forfeiture”
- “If the Nvocc, as principal, defaults with regard to these obligations, the principal and surety (jointly and severally) agree to pay liquidated damages of \$ 5.000,00 for each regulation violated.”





# US Customs / C-TPAT



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# Maritime Transportation Security Act MTSA - 2002

Mediterranean Shipping Company

# MTSA - 2002

- Amendment of Merchant Marine Act 1936
- To establish a program to ensure Security for US ports
- USCG / “Federal Register Notice”                      December / 2002
- Their plans for implementing regulations in compliance with the MTSA, SOLAS Amendments and the ISPS Codes;

# MTSA - 2002

## Agenda - Deadlines / Contents

Interim Final Rules	Beginning of 2003
▪ Final Rules	November of 2003
▪ Effective date of enforcement	01.July.2004
▪ IMO Compliance deadline	01.July.2004

## Table of contents:

- Title I Maritime Transportation Security
- Title II Maritime Policy Improvement
- Title III Coast Guard Personnel and Maritime Safety
- Title IV Omnibus maritime Improvement
- Title V Authorization of Appropriations for the Coast Guard

# MTSA - 2002 /OUTLINES

## ■ General Security Provisions:

- (p1) Obligations of Contracting Governments with Respect of Security;
  - (MARSEC - Maritime Security Levels to US Ports & Vsls operating US waters
- (p3) Consideration of other Organization Competent in Maritime Security;
  - USCG intends to formalize or not professional standards to do business;
- (p6) Declaration of Security (DOS);
  - Agreement between vessel and facility > to ensure communication / coord.;
- (p7) Security of Information contained in Port, Vessel and Facility Security Assessments and Plans;
  - MTSA / ISPS require security related documents to be protected from unauthorized access or disclosure;

## Port Security Provisions:

- (p8 to p11) Port Security Plans and Assessments;

# MTSA - 2002 /OUTLINES

- Vessel Security Provisions:
  - (p13) Obligations of the Company > Compliance with Maritime Security
  - (p14) Vessel Security Plan > On board carried out by SSO
  - (p15) Vessel Security Assessments (VSA) > Shore carried out by CSO
  - (p17) Submission of VSPs for Approval
    - By Flag State / Reviewed by USCG /
    - assisted by RSO (Recognized Security Organization)
  - (p20/21) Company Security Officer (CSO) / Vessel Security Officer (VSO)
  - (p22) Security Training and Drill requirements for Vessel Personnel;
  - (p23) Certification for Vessels;
- Facility Security Provisions ( p24 to p32)
  - These provisions outline the Coast Guard's intended approach for complying with the Facility Security Provisions set forth by Solas/ISPS and the MTSA;



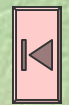
# MTSA - 2002 /OUTLINES

## ■ Other Security Provisions:

- (p33) Permanent Hull Marking Requirement;
  - Require Identification number permanently marked
- (p34) Continuous Synopsis Record (CSR);
  - Vsl name, flag entitled, Registered date, Registered Owner
- (p35) Security Alert System Requirement;
  - Ship-Shore security alert to a competent authority designated by Flag
- (p37) Seafarers Identification Criteria;
  - Crewmember identification credential (ILO issue)
- (p39) Foreign Port Assessments;
  - effectiveness of antiterrorism measures maintained at a foreign port
- (p40) Automated Information Systems (AIS);

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# SOLAS AMENDMENTS, 1974

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# IMO - SOLAS

## ■ Diplomatic Conference Resolutions

- 1. Adoption of Amendments to the Annex to the International Convention for Safety of Life at Sea, 1974, as amendment;
- 2. Adoption of International Ship and Port Facility Security (ISPS);
- 3. Working Group by International Maritime Organization
- 4. Future Amendments to Chapters XI-1 (Safety) and XI-2 (Security) of Solas;
- 5. Promotion of Technical Co-operation and Assistance;
- 6. Early implementation of Special measures to implement Maritime Security;
- 7. Appropriate measures for Ships, Port, Mobile Offshore and Platforms;
- 8. Co-operation with the Labor International Organization;
- 9. Co-operation with the World Customs Organizations;
- 10. Early implementation of Long-Range “Ship’s identification and tracking”;
- 11. Human Element-related Aspects and Shore leave for seafarers;

# IMO - SOLAS / Safety

- Accelerated implementation schedule of “Automatic Identification Systems” (AIS) - (not later than 1st safety equipment survey after 1st July 2004 or by 31 December 2004);
- Ship Identification Number - (Permanent marking of 7-digit IMO number - 1st July 2004 or not later than the first scheduled dry-docking thereafter);
- Continuous Synopsis Record (CSR) - Documentary record about the ship's history (o/b), containing: Name of flag state adm, Date of registry, Ship's identification number, Name of ship, Port of registry, Bareboat charter, Name of company, Classification Society, Name of Flag which has issued ISSC.  
\* It is the flag State's responsibility to issue CSR's for all ships entitled to fly their flag;

# IMO - SOLAS / Security

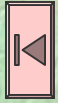
- Reg.1 > Definitions;
- Reg.2 > Application;
- Reg.3 > Obligations for Governments;
- Reg.4 > Requirements for Ships and Companies;
- Reg.5 > Specific Responsibility for Companies;
- Reg.6 > Ship Security Alert System;
- Reg.7 > Threats to Ships;
- Reg.8 > Master's discretion for Ship Safety + Security;
- Reg.9 > Control and compliance measures;
- Reg.10>Requirements for Port Facilities;
- Reg.11>Alternative security arrangements;
- Reg.12>Equivalent Security arrangements;
- Reg.13>Communication of information;

# IMO - SOLAS / ISPS

- ISPS CODE: International Ship and Port Facility Security Code
  
- Part A
  - > Mandatory Requirements
    - » Ships / Companies
    - » Port Facilities
    - » Administration
  
- Part B
  - > Guidance
    - » Background
    - » Compliance
    - » Assistance

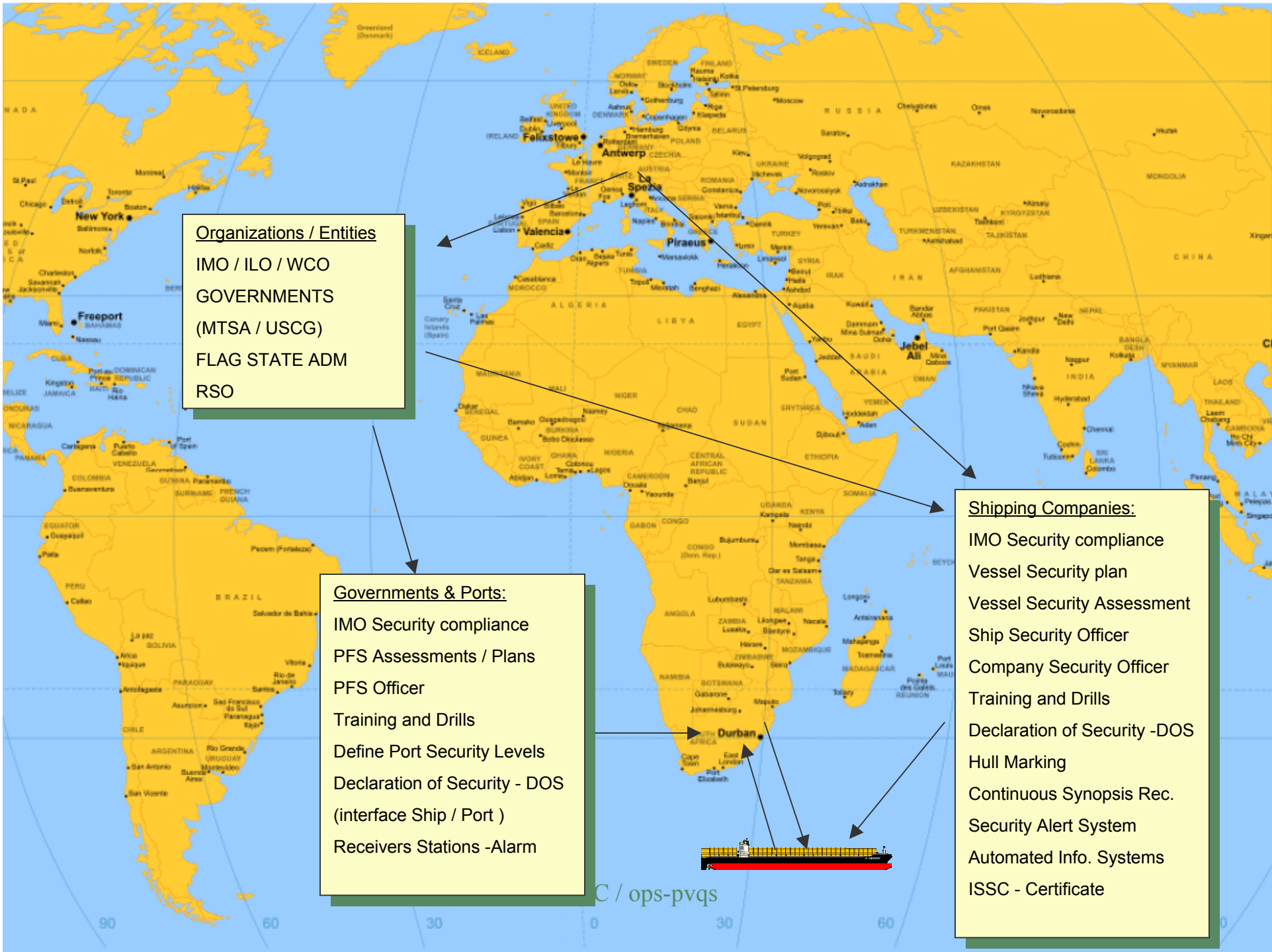
# IMO - SOLAS / ISPS

- Section 1 > General ( Introduction, objectives, Functional request)
- Section 2 > Definitions ( SSP - PFSP - SSO - CSO - PFSO )
- Section 3 > Application (Sec 5-13,19 Ships / Sec 5& 14 to 18 Ports)
- Section 4 > Responsibilities of Contracting Governments (Security lvl)
- Section 5 > Declaration of Security ( DOS);
- Section 6 > Obligations of the Company;
- Section 7 > Ship Security ( Activities on board on different levels);
- Section 8 > Ship Security Assessment (SSA);
- Section 9 > Ship Security Plan (SSP);
- Section 10>Records;
- Section 11>Company Security officer (CSO) - responsibilities Shore;
- Section 12>Ship Security officer (SSO ) - responsibilities on Board;
- Section 13>Training, Drills and Exercises on Ship Security;



# IMO - SOLAS / ISPS

- Section 14> Port Facility Security
- Section 15> Port Facility Security Assessment (PFSA)
- Section 16> Port Facility Security Plan (PFSP)
- Section 17> Port Facility Security Officer (PFSO)
- Section 18> Training and Drills on Port Facility Security
  
- Section 19> Verification and Certification of Ships
  - \* Requirements for Ships / Companies - Duration of Certificate
  - \* Special Requirements - Change of Flag
  - \* Interim Certification



Organizations / Entities  
 IMO / ILO / WCO  
 GOVERNMENTS  
 (MTSA / USCG)  
 FLAG STATE ADM  
 RSO

Governments & Ports:  
 IMO Security compliance  
 PFS Assessments / Plans  
 PFS Officer  
 Training and Drills  
 Define Port Security Levels  
 Declaration of Security - DOS  
 (interface Ship / Port )  
 Receivers Stations -Alarm

Shipping Companies:  
 IMO Security compliance  
 Vessel Security plan  
 Vessel Security Assessment  
 Ship Security Officer  
 Company Security Officer  
 Training and Drills  
 Declaration of Security -DOS  
 Hull Marking  
 Continuous Synopsis Rec.  
 Security Alert System  
 Automated Info. Systems  
 ISSC - Certificate

C / ops-pvqs

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# US REGULATIONS - CSI

## Containers Security Initiative

- Governments Agreement to identify high-risk cargo containers and pre-screen those containers at the Foreign ports before they are shipped to the U.S.
  - 1) Identify “high-risk” containers;
  - 2) Pre-screen containers before they are shipped;
  - 3) Technology to screen high-risk containers;
  - 4) To ensure the integrity of containers overseas;
- Originally, 20 Mega-Ports (+ 3 Canadian Ports) - defined in Terms of export container volume which represents nearly 70 % of all containers shipped to U.S. seaports;
- To date: 13 ports are CSI operational: Halifax, Montreal, Vancouver, Rotterdam, Le Havre, Bremerhaven, Hamburg, Antwerp, Singapore, Yokohama, Hong Kong, Felixstowe and Gothenburg;
- Next: Genoa, La Spezia, Pusan and Algeciras;
- No firm Time line: Kobe, Nagoya, Tokyo, Shanghai, Yantian, Laem Chalang, Port Klang and Tanjung Pelepas;

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## Security - Updatings (1/3)

- US Customs = CBP (Customs and Border Protection) / 24 hours Advance Cargo Manifest, since 02nd.Feb.03;
  - Bills of Lading Reviewed in AMS: 1.65 Million
  - Bills identified by the Automated Targeting System: 141.000
  - “ Do not Load” Messages Issued: 97
  - Denials of Permits to Unload Cargo: 15
  - Number of Penalties:0
- Three parameters: Commodity description, consignee and Timeliness of filing;
- NVO “ Special Bill” - to be filled directly by NVO’s, providing the SCAC code of Vessel Operating Carrier (VOC) as second notify;



## Security - Updatings (2/3)

- Containers Inspections:
  - Customs has expanded the number of VACIS machines at US Ports and non- US ports that enter into CSI agreement;
  - Customs has increased inspections from 2% to 10%. Political demands made by “Some - 4 bills” in the congress for 100 % containers inspection levels;
- ISO / Security Standards: Development of an e-seal standard.  
Involvement of IMO / WCO / Private sectors: Users / Suppliers;
- WCO Council: recommendations on “Risk Assessments”:
  - Key data Elements for Identification of High-Risk Goods:
  - Advance Cargo Information guidelines
  - Guidelines for Co-operative Agreements between Customs Adm / Private;



## Security - Updatings (3/3)

- Vessel and Port Security:
  - USCG is planning to promulgate interim final regulation on July 1, implementing the requirements of the MTSA, using the provisions of ISPS code and Solas Amendments;
  - Foreign Vessels Security Plan (VSP) approval: despite Flag approval, will be subject to USCG “revising”;
  - Automated Identification System (AIS) implementation: Deadline / December 2004 - Delays on AIS receiving stations expected.
- Seafarer Credentialing:
  - IMO delegated to ILO > “ to develop a secure, verifiable, seafarer identity document” > Member Countries favor to use Biometric data;
  - Crew List visa: final outcome after ILO decisions;
  - Electronic Filing of Crew Information: > APIS ( Advanced Passenger Information System)