

CIRCULAR

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TO MEMBERS OF THE ASSOCIATION

Dear Member:

COMPLIANCE WITH THE INTERNATIONAL SHIP AND PORT FACILITY SECURITY (ISPS) CODE—ADDITIONAL INFORMATION

Reference is made to Circular 12/04 which reminded Members that, as of July 1, 2004, the requirements of Chapters V and XI-2 of the SOLAS Convention become mandatory.

For the 2004 policy year Class I Rule 1.14.v has been amended to provide that vessels:

“...must at all times maintain the validity of such statutory certificates as are issued by or on behalf of the State of the insured vessel's flag in relation to... the International Ship and Port Facility Security (ISPS) Code or any equivalent mandatory flag State regime.”

In recent months, concerns have been raised as to whether all SOLAS compliant vessels and port facilities would be able to fulfill the requirements of the ISPS Code by July 1, 2004. In many cases, Members have submitted ship security plans (SSCs) to the flag State for approval but have not received the required International Ship Security Certificate (ISSC). Consequently, a vessel may be delayed or barred from entry into a port facility for not having an ISSC.

IMO guidance as to compliance with maritime security requirements

In May 2004, the IMO Maritime Safety Committee (MSC) approved MSC/Circ.1111 providing guidance for shipowners on the implementation of security measures. This guidance focuses primarily on security measures and procedures to be applied during ship/port interface when either the ship or the port facility does not comply with the requirements of SOLAS chapter XI-2 or of the ISPS Code.

It is probable that after July 1, 2004 there will be many port facilities around the world that will not comply with the SOLAS chapter XI-2 and ISPS Code requirements. In order to ensure that vessels are not unduly delayed or barred from subsequent ports as a result of non-compliance of particular ports, all efforts should be made to implement the guidelines suggested in the MSC Circular.

The circular discusses issues associated with security measures in a port in a State which is not a contracting government, interfacing with ships to which the ISPS Code does not apply, or interfacing with a port or port facility which is not required to comply with chapter XI-2 and part A of the ISPS Code. A copy of MSC/Circ.1111 can be found at the IMO website at www.imo.org.



The United States Coast Guard and the ISSC inspection: What to expect

There has been much speculation as to what the USCG will be looking for during Port State Control inspections related to maritime security. The information below was recently received from shipping agents Kerr Norton Strachan Agency and our thanks are extended to them for allowing the Club to reproduce it.

" We have been advised that here are certain items, which the USCG ISSC inspectors will be looking for. If attention is paid to these items it is possible that it could lead towards a smooth USCG verification audit of the SSP under the ISPS Code.

The crews should be well prepared by drilling and ensuring that everyone understands their role and participated as required by the security plan. The result could impress the USCG inspection team by implementation of certain items, which could lead to vessels passing inspection with flying colors.

The main areas that will be looked at are access control, control of restricted areas, records, checking-in stores and supplies, and notification procedures.

Access control: There is a focus on how the crew manage access control in accordance with the security plan, particularly on how a brief emergency response discussion takes place with the individual signing in, and on what the visitor should do if he observes suspicious activity or a breach of security while on board. The inspectors also want to see the record of minimum screening requirements being done and logged; it is suggested that more is better than not enough!

Control of restricted areas: The Ship Security Officer must know which areas on board are restricted as per the plan, and what will need to take place at different Marine Security (MARSEC) alert levels.

Records: The USCG will want to see objective evidence that quarterly security drills are being held and documented, port call records completed, all security records filled out as applicable for the prevailing MARSEC level, and fully in accordance with Security Plan requirements.

Checking in stores and supplies: Interest will be shown in demonstrating that this is being done according to the Security Plan, particularly at higher MARSEC levels.

Notification procedures: The USCG cannot stress this enough. First internal (crew) procedures for notification of security issues on board, then proper notification procedures to shore side entities of suspicious activity, breaches of security, or any major Transportation Security Incidents. The Master and the Ship Security Officer must know whom to contact ashore (i.e. 911 for immediate local response, local USCG Port Captain, National Response Center, Company Security Officer and Deputies).

Drills will be requested to demonstrate that procedures work according to the security plan. Any drill might be chosen. The sort of drills requested have included the process for moving to a higher MARSEC level and dealing with a suspicious package both with an emphasis on notification procedures.

Basically good quality assurance management is required; if the USCG sees that a ship and its crew are doing what it says they are to do in the USCG approved SSP on board, and then there



should not be any worries. The first impression given to the USCG when they come on board is crucial. If access control procedures are followed and vessel crew is showing they are knowledgeable and awareness of their security responsibilities, then the audit should go smoothly from there."

What to expect in Singapore

On June 9, 2004, the Maritime and Port Authority (MPA) of Singapore released the Port Marine Circular No. 12 of 2004, *Promulgation of Legislation to Effect Special Measures for the Enhancement of Maritime Security*. It is very clear from this circular that Singaporean Port State Control authorities will be quite strict in ensuring ship compliance with the ISPS Code. Ships can be subject to inspection, delay, detention or restricted operations including movement within the port or expelled from or denied entry into the port.

Owners will risk disruption if they are not certified by June 30, 2004 or if they fail to ensure that:

- (1) their Ship Security Plans (SSPs) are not effectively implemented onboard;
- (2) CSOs and SSOs and appropriate shore based personnel have knowledge and training taking into account the guidance provided in part B of the ISPS Code; and
- (3) shipboard personnel having specific security duties and responsibilities properly understand their responsibilities for ship security in the SSP and have sufficient knowledge and ability to perform their assigned duties.

Ships entering Singapore may be required to provide the following information to the MPA:

- ship possesses a valid ISSC and the name of the issuing authority;
- prescribed security level at which the ship is currently operating;
- prescribed security level at which the ship had operated in any of the last 10 ports where it had conducted a ship/port interface;
- any special or additional security measures that had been taken by the ship in any of the last 10 ports where it had conducted ship/port interface;
- that the appropriate ship security procedures were maintained during any ship-to-ship activity in any of the last 10 ports where it has called; and
- other practical security related information, excluding the details of the SSP, taking into account the guidance given in part B of the ISPS Code.

Financial penalties in Singapore for non-compliance with the ISPS Code

The MPA states that owners, agents and Masters of ships who do not comply with the requirements of Chapter XI-2 and Part A of the ISPS Code that are relevant to the ship shall be guilty of an offense under Regulation 63A of the Port Amendment Regulations which is punishable upon conviction of fines up to S\$10,000.

Any person required to submit information to the Port Master for any purpose under Section 63A to 63D of the Port Amendment Regulations or for compliance with Chapter XI-2 or the ISPS Code, submits any information which is false, misleading or inaccurate shall be guilty of an offense under

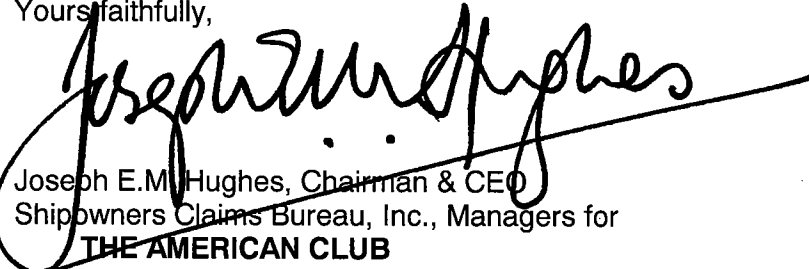


Section 63F of the Port Amendment Regulations and shall be liable on conviction to a fine not exceeding S\$20,000 or to imprisonment for a term not exceeding 6 months or to both.

A copy of the MPA circular can be found at: www.mpa.gov.sg/homepage/pcp/pc04-12.pdf. All MPA circulars related to maritime security can be found at www.mpa.gov.sg.

Members are urged to give close attention to the provisions of these and all other matters pertaining to the ISPS Code not least by reason of their imminent implementation.

Yours faithfully,


Joseph E.M. Hughes, Chairman & CEO
Shipowners Claims Bureau, Inc., Managers for
THE AMERICAN CLUB