



# CHAMBER OF SHIPPING OF AMERICA

## MONTHLY REPORT FOR BIMCO

DECEMBER 2017

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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.

### **Happy New Year!**

The Chamber of Shipping of America wishes you and your families a happy, healthy and prosperous 2018.

### **USCG Updated Oil Record Book Part I and Part II (CG-4602A)**

USCG Headquarters brought to our attention that USCG has updated their Oil Record Book (ORB) Part I and Part II (CG-4602A) which is now available for purchase. It should be noted that CSA has heard varying degrees of success from members on their ability to procure the new ORB's ranging from successful procurement to other USCG districts unaware of the update and some in between.

Text from USCG Headquarters:

*I heard earlier this week that new ORBs are available. I do not know whether the public can order from Surface Forces Logistics Center (SFLC) Baltimore, but you should be able to approach the cognizant Sector office and ask them if they have made their initial order.*

*From the announcement:*

*ORB Part I and Part II (CG-4602A) have been updated and are in stock at the USCG Surface Forces Logistics Center (SFLC) Baltimore. Units should submit requisitions through their normal MILSRTIP ordering procedures/process like they would with any stock numbered item.*

*Initially, there is a maximum order quantity at 2 boxes per requisition (25 ORBs per box) until a demand history under the new unit issue is determined.*

*Note: The new unit issue is now a BX (box) rather than a BK (book).*



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### **CSA Testimony on the US National Ocean Policy (NOP) before the Senate Committee on Commerce, Science and Transportation's Subcommittee on Oceans, Atmosphere, Fisheries, and Coast Guard**

On December 12<sup>th</sup>, CSA was invited to testify at a hearing held by the above referenced subcommittee on the "National Ocean Policy: Stakeholder Perspectives". Recalling the NOP was a result of an Obama Administration Executive Order and noting the inclination of the current Trump Administration to attempt to revoke many of these Executive Orders, the majority members of the subcommittee were (and did) expected to solicit testimony and responses to questions that would support what is expected to be a revocation of the current program. Given the existence and significant work that had been done on the NOP at both the federal level and through regional planning bodies, CSA had decided at the outset to participate where possible under the logic that if we are not participating and monitoring these activities, we would be at the mercy of these bodies, many of which have little or no knowledge about commercial shipping. With this in mind, our testimony supported the general concept of a national ocean plan and the need for marine spatial planning to assure conflicts among ocean users are minimized if not eliminated. Key portions of our testimony are as follows:

**[BEGIN QUOTE]** Shipping is the global engine for trade handling almost 80% of all US imports and exports, valued at over \$1 trillion, and this is only expected to increase with the global economy becoming more interconnected. The marine transportation system supports 13 million jobs and the industry contributes over \$14.4 billion in GDP. This economic powerhouse and integral part of global trade is inherently linked to operations happening on the ocean and the ability to move freely and with minimal risk on the water.

The National Ocean Policy at its core is about good governance. This policy is the result of decades of research, public outreach, and the recommendations of two separate ocean commissions to ensure ocean management is done in an effective and coordinated way. Policies of this nature were traditionally bi-partisan and should continue to be. Discussions on the need for a national ocean plan were initiated by the George W. Bush Administration with his ocean commission with additional work and a more formal approach implemented by the Obama Administration.

In all candor, I must admit that we viewed the development of a National Ocean Policy with regional components with some concern. While we were and are still supportive of the need for better coordination of ocean policy decisions across all federal agencies, our concerns were initially focused on the potential for regional decisions which did not take into account the need for consistent national requirements as applied to the



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maritime industry to ensure the free flow of marine transportation assets to and from US ports and in coastal waters. These concerns still remain particularly relating to how new state regulations, which could result in the proverbial “patchwork quilt” of different or conflicting requirements across the regions or states, would be managed. Should this result, the benefits of transparency, engagement of all stakeholders, both public and private, and the opportunity to provide input on proposals facilitated by the National Ocean Policy framework would be overwhelmed by the negative impacts of inconsistent or conflicting requirements. It is critical that we ensure that a set of uniform national requirements are applied to our industry. Our concerns thus far have been addressed in the regional ocean plans but can be significantly reduced if it is agreed that any regional recommendations are vetted upward to the National Ocean Council for further discussion and debate. While the Policy is non-regulatory and instead works within federal agencies existing authorities, if future regulatory initiatives are initiated they should be done so through the federal rulemaking process which provides the opportunity for comment by all stakeholders. We continue to believe that coordination among all the players, especially the federal agencies that have the authority to regulate our industry is beneficial and should be encouraged.

The National Ocean Policy encompasses a range of ocean issues and priorities. Where the Chamber of Shipping of America engages and finds the most value in the National Ocean Policy is the opportunity for regions to use ocean planning as a tool to address relevant ocean priorities. Many of the global shipping companies that we represent are well versed in ocean planning as more than 65 countries have ocean plans in place around the world. We see this type of marine planning as a common-sense approach to ocean management; it should not be about politics but instead government efficiency and the ability of federal management agencies to make the best, most informed decisions.

Ocean planning in the United States is voluntary and regionally-driven with states requesting federal agencies to help them address their ongoing management challenges. While each region’s challenges are unique, there are overarching elements of government and permitting efficiency that ocean planning creates and that the Chamber supports. Interagency coordination is critical as we move forward on addressing important ocean issues. Having good data and information on our industry in one central location through regional ocean data portals that helps agencies solve conflicts and keeps our mariners safe and our ports operational is also key.

Ladies and gentlemen of the Subcommittee, permitting efficiency and streamlining and the ability to access good data to achieve these goals is bipartisan and fundamental to good government.



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We see the value in this approach to good governance. Our business is built on itineraries, logistics, and speed. The data provided through this process helps us achieve those and allows agencies like BOEM who permit projects that have the potential to overlap with shipping traffic separation schemes and ship traffic to make more informed decisions. The result is a reduction in conflicts.

While the ocean may look vast, it is an incredibly busy place. Our mariners know more than anyone the potential for use conflicts out on the water. It's the cumulative impacts over time to navigate around, for example offshore wind and oil and gas platforms, that can add up to hundreds of thousands of dollars in lost revenue over the course of a year simply in fuel costs. This in turn, has an effect on the economy and the price of goods. Understanding the complexities of our industry through ocean planning will help ocean managers make better, more informed decisions that better serve our industry and the American people.

Shipping companies need certainty and the ability to get into and out of ports safely. This not only matters to the bottom line for shipping companies but has the potential to impact ports as well. Poor planning and lack of consideration for navigational safety has the potential to impact those values significantly with negative impacts on the ports, the state and local economies and a potential loss of jobs. Navigation and risk assessment is inherently linked to regional ocean planning.

Regional ocean planning is not about new regulations but about helping federal and state agencies do their job better. The Chamber and many of the industries we interact with feel strongly that regional approaches to ocean management with involvement of federal and state agencies, and stakeholders are invaluable. We also find value in regional ocean data portals that house ocean data from agencies and industries in one central, publically accessible location. Early stakeholder involvement leads to improved permitting efficiency and ensures agencies are prepared in advance to make more informed permitting and management decisions. This approach also ensures conflicts are avoided, which are often the result of a lack of government coordination and outreach. Regional ocean plans provide an opportunity for agencies to work more effectively with one another and that government efficiency has in turn helped the maritime sector.

We have actively engaged with the Northeast and Mid-Atlantic Regional Planning Bodies to ensure harmonization of policies, data, and practices as it pertains to the shipping industry. We agree that a regional approach is the appropriate lens through which to plan, but made sure that consistency was addressed as it relates to our industry. We know that a



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better understanding from decision-makers on the scale at which our industry operates will lead to more informed decisions that support our shipping economy. The Chamber of Shipping of America's Director of Maritime Affairs serves on the Mid-Atlantic Ocean Council's Stakeholder Advisory Committee. We have attended meetings and made recommendations on data and information reflected in the ocean plans and data portals, and encourage all ocean users, including those testifying today, to do so.

We have made recommendations about the support and inclusion of Automatic Identification System (AIS) data in the regional data portals. Availability of this data is critical to ensuring shipping and piloting routes are safe and protected. Maps on navigation and commercial traffic are valuable for those making decisions and working to address these regional, cumulative impacts. In fact, this data set is one of the most valuable and used data sets on both the Northeast and Mid-Atlantic Regional Ocean Data Portals. The ability to access this AIS data to view ship traffic and overlay with other ocean uses like commercial fishing, recreational boating, and offshore infrastructure platforms all in one place means smarter more efficient decisions that lead to better outcomes for all industries. Government efficiency is a key component of these data portals and we fully support these efforts.

In closing, I hope this Subcommittee will allow industries to continue to work with federal agencies and states to solve the conflicts and challenges we encounter every day. The Chamber supports the regional data portals, continuing to push for interagency coordination and commitments from federal agencies to involve industry earlier in decision-making. Our hope is that the good work related to the regional ocean plans and data portals continue and that the Subcommittee will not let politics get in the way of good governance.

The ocean economy needs smart approaches to management and having federal agencies coordinate with one another on information and data sharing is just common sense. Our members fully support these objectives. Without it we will be limited in our ability to adapt to the complex and rapidly changing maritime domain. **[END QUOTE]**

### **ENavigation Conference – Seattle, WA**

CSA attended the mid-December ENavigation conference in Seattle, Washington and participated on a panel addressing regulations, standards and policies related to ENavigation issues including automation, cybersecurity, IMO's regulatory scoping exercise on autonomous shipping and opportunities for industry engagement with governments and IMO in policy making decisions.



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Additional agenda items included the impact of automation in the operational environment, bridge resource management, cybersecurity considerations in view of ENavigation and automation development, and advances in data collection and dissemination. The key takeaway from this conference, which aligns with many similar discussions on these issues, is that the speed of technology development is significantly exceeding the development of operational considerations and impacts on bridge resource management, a gap which must necessarily be closed to assure the safe and operational logical integration of these new technologies into shipboard operational procedures.

### **Senate Helsinki Commission Briefing on Migrants in the Mediterranean**

In 2017 alone, ships in the Mediterranean Sea have rescued over 117,000 refugees and migrants and unfortunately roughly 12,000 were unable to be rescued and died over the past two years. Merchant ships have played a key role rescuing approximately 41,300 since the crisis unfolded which has come with major challenges including diverting vessel, accommodation/space limitations, first aid, food limitations, threat of terrorism and trafficking and health and safety of ship and crew. Panelist included representatives of the Governments of Italy, Greece and the European Union along with the International Chamber of Shipping and the International Organization for Migration.



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