

MONTHLY REPORT FOR BIMCO

OCTOBER 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.

Status of Jones Act Discussions

As indicated in our last report, the US House of Representatives, Coast Guard and Marine Transportation Subcommittee held a hearing in early October on the status of the Jones Act. Witnesses before the subcommittee confirmed what was previously thought, namely that sufficient US flag tonnage was available to supply the island of Puerto Rico and in fact the logistics log jam preventing the delivery of much needed humanitarian relief cargoes was a result of land based issues relating to road conditions and lack of trucks and drivers to transport the cargoes from the port areas to the more remote towns on the island. In spite of the sufficiency of US flag tonnage, the executive branch granted a 10 day waiver which resulted in a very few non-US flag vessels delivering cargoes to Puerto Rico.

This situation resulted in a flurry of legislative activity ranging from Sen. John McCain's bi-annual introduction of legislation to repeal the Jones Act in its entirety to more focused legislation which would legislatively establish a waiver for Puerto Rico for a set time into the future (5 years, 10 years). At this point, it appears that none of these bills have sufficient support for passage although CSA will continue to monitor their status in both the Senate and House of Representatives.

Ballast Water Type Approvals

The US Coast Guard has now issued a US type approval for a sixth ballast water treatment system, the Erma First FIT with flow rates from 100 to 3740 cubic meters per hour. 13 specific models of this system are included in the type approval. The system uses a three step process consisting of filtration and



electrolysis while loading ballast water with a neutralization step when the ballast water is discharged.

The US Coast has also issued an updated type approval certificate to TeamTec OceanSaver AS which covers the OceanSaver BWTS MKII ballast water management system originally covered under the original type approval certificate issued to OceanSaver. It should be noted that all OceanSaver intellectual property, certificates and assets were acquired by IMS Group AS of which TeamTec OceanSaver is a subsidiary. USCG notes that all OceanSaver equipment manufactured during the validity of the original type approval certificate remains approved as long as it is manufactured, installed and operated according to the terms of the type approval certificate and any maintenance and repairs are also performed in accordance with the manuals and components specified in the type approval certificate. One potentially troublesome aspect of this acquisition is the USCG statement that "if the equipment fails to operate and parts from the original manufacturer are no longer available, then the equipment is no longer operating under its type approval and must be replaced". It would be expected that TeamTec will be in a position to supply necessary spare parts identical to the original manufacturer and thus there will be no impact on the compliance status of already installed systems.

USCG Guidance on Alternative Planning Criteria (APC) for Vessel Response Plans

The US Coast Guard has published MER Policy Letter 01-17 which contains guidance to the maritime industry on developing and submitting alternative planning criteria as permitted under 33 CFR 155.1065 and 33 CFR 155.5067. Vessel owners and operators are recommended to advise their Vessel Response Plan preparers of this new policy letter which does NOT create any new requirements but rather clarifies the existing policy on APC submission and approvals. The policy letter may be assessed via the hot links as contained on the USCG Maritime Blog summary found http://mariners.coastquard.dodlive.mil/2017/10/16/10162017-alternativeplanning-criteria-national-guidelines-now-available/ It is advised to access the policy letter via the Federal Register link in the summary (versus the Homeport link due to website modifications which are underway and make access to USCG documents difficult at best). When accessing the Federal Register link, use docket number USCG-2016-0437 to access the full docket.

Plague Outbreak in Port of Toamasina

A confirmed outbreak of the pneumonic plague has been confirmed in the port city of Toamasina, Madagascar.



The full U.S. Maritime Alert is available here: <u>US Maritime Alert 2017-006A Plague in Madagascar</u>



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