



WORLD SHIPPING COUNCIL
PARTNERS IN AMERICA'S TRADE

February 28, 2003

Docket Management Facility, (USCG-2002-14069)
U.S. Department of Transportation
Room PL-401
400 Seventh Street, S.W.
Washington, DC 20590-0001

**RE: Docket Number (USCG-2002-14069) -- Notice and Request for Comments on
Implementation of Maritime Security Regulations**

The World Shipping Council, a non-profit association of over 40 international ocean carriers, respectfully submits the attached comments in response to the Federal Register notice issued by U.S. Coast Guard on December 30, 2002 in the above-mentioned matter (67 Fed. Reg. 79742).

Sincerely,

A handwritten signature in cursive script, appearing to read "Christopher Koch". The ink is a reddish-brown color.

Christopher L. Koch
President & CEO



WORLD SHIPPING COUNCIL
PARTNERS IN AMERICA'S TRADE

**Comments of the
World Shipping Council**

**Before the
United States Coast Guard**

In the matter of
**Notice and Request for Comments on Implementation of Maritime
Security Regulations**

Docket Number USCG-2002-14069

FEBRUARY 28, 2003

I. Introduction

The World Shipping Council (“the Council” or “we”) submits these comments in response to the Notice of meetings and request for comments issued by the United States Coast Guard (“Coast Guard”) on December 30, 2002 (*67 Fed.Reg. 79742 et seq.*). By that Notice, the Coast Guard solicited comments on its plans for developing regulations for complying with the requirements of the Maritime Transportation Security Act of 2002 (MTSA) and the maritime security requirements set forth in the International Maritime Organization (IMO) International Ship and Port Facility Security (ISPS) Code and in recent amendments to the International Convention for the Safety of Life at Sea (SOLAS).

The Council appreciates the opportunity to provide comments to the Coast Guard on the development of appropriate regulations for complying with the MTSA and IMO requirements. The Council, a non-profit association of over forty international ocean carriers, was established to address public policy issues of interest and importance to the international liner shipping industry. The Council’s members include the full spectrum of ocean common carriers, from large global operators to trade-specific niche carriers, offering container, roll-on roll-off, car carrier and other international transportation services. They carry more than 90% of the United States’ imports and exports transported by the international liner shipping industry, or roughly \$500 billion worth of American foreign commerce per year.¹

International liner shipping provides regular, scheduled services connecting U.S. exporters and importers with virtually every country in the world. Liner shipping vessels make more than 22,000 calls at ports in the United States each year or more than 60 vessel calls a day. In addition to the international regulations set forth by the recently enacted ISPS Code and SOLAS amendments, the MTSA establishes requirements on international vessels that operate in U.S. waters. To that end, our industry has supported the Coast Guard in its role as the lead U.S. agency responsible for ensuring the safety and security of U.S. ports and the vessels that call upon those ports.

II. General Comments

The Council would like to commend the Coast Guard for its work to quickly establish comprehensive, meaningful and consistent domestic and international security standards for ships, ports and facilities. The Coast Guard deserves credit for simultaneously and successfully partnering with domestic and international industry stakeholders, the IMO, other federal agencies, and the U.S. Congress.

We recognize that the implementation of these maritime security regulations will require considerable time and resources on the part of the Coast Guard, other governments, and the industry. The implementation by the U.S. of these new maritime

¹ A list of the Council’s members is attached as Appendix A.

security standards, which the U.S. helped develop with international agreement, is very important not only to enhance security, but also to create a consistent, uniform approach for an industry that must operate within the jurisdiction of all the maritime trading nations of the world. Accordingly, we request that the Coast Guard explicitly state that these new security regulations fully occupy this field, and that any state or local regulations on the subject are preempted. This point is especially critical with respect to vessels on international voyages, because the success of the entire international regime, with which the Coast Guard has wisely chosen to make U.S. regulations consistent, requires that operators of international vessels be able to meet the laws of all countries by adopting and following a single vessel security plan. A clear preemption statement by the Coast Guard will not only prevent the creation of a patchwork quilt of state and local laws in the U.S., but also send an important message to the governments of U.S. trading partners that the United States speaks with one voice on issues of maritime security.² In addition to furthering the leadership role of the U.S. in international security efforts, the Coast Guard's example will encourage other nations to be clear and consistent in articulating their own requirements for international vessels.

The Council appreciates the opportunity to work with the Coast Guard and other U.S. federal agencies in the effort to develop maritime security regulations that enhance security while not unnecessarily impacting the movement of commerce to and from the United States. We offer these comments in support of the Coast Guard's effort to develop regulations to implement the MTSA, the SOLAS amendments, and ISPS Code.

III. General Security Provisions

Provision 1: *Obligations Of Contracting Government to Mandate Security Levels.* The Coast Guard has stated that it will implement the three-tiered Maritime Security (MARSEC) system in coordination with the five-tiered Homeland Security Advisory System (HSAS), such that MARSEC Level 1 would be in effect during HSAS levels 1-3, MARSEC Level 2 would take effect during HSAS Level 4 (orange—high threat), and MARSEC Level 3 would take effect during HSAS Level 5 (red—severe threat). The Coast Guard has also indicated that it intends to communicate changes in the U.S. MARSEC level to U.S. ports and vessels operating in U.S. waters using public alert

² The United States Supreme Court has consistently held that federal action in the area of maritime regulation preempts state law. Recently, for example, the Court had the following to say in striking down state regulations on tank vessels: “The existence of the treaties and agreements on standards of shipping is of relevance, of course, for those agreements give force to the longstanding rule that the enactment of a uniform federal scheme displaces state law, and the treaties indicate Congress will have demanded national uniformity regarding maritime commerce.” *U.S. v. Locke*, 529 U.S. 100, 103 (2000), citing *Ray v. Atlantic Richfield Co.*, 435 U.S. 151, 166 (1978). Especially where, as is the case here, the federal regulation is so closely intertwined with an international regime in which the U.S. participates, there is simply no room for state regulations. This does not mean, however, that the Coast Guard could not consider security plans created under *existing* state or local programs as being acceptable alternatives to the mandated federal plans. In seeking a uniform national and international standard, the Council does not intend to suggest that work already done must be undone, only that that the standard applied to that work must be the federal standard as established by the Coast Guard.

systems, Broadcast Notice to Mariners, fax and e-mail alert lists and other similar methods, and will use the toll-free National Response Center as its point of contact.

We support the use of the communications methods discussed above, and would recommend that the Coast Guard also consider publishing the current U.S. MARSEC level and any additional relevant maritime safety and security threat information on its National Response Center website and/or via the World Wide Navigational Warning Service (WWNWS).

We also recommend that the Coast Guard consider establishing the ability to communicate specific threat information to specific vessels, classes of vessels, vessel lines, or vessels bound to or from specific ports, rather than relying only on generic communication capability to the entire industry. The Coast Guard could provide this specific threat information via an electronic receipt message provided in response to the filing of the advanced Notice of Arrival (NOA) transmission. We believe that receipt of this targeted threat information would enhance the readiness of the maritime industry to respond to specific threats and would avoid communicating sensitive information more broadly than necessary.

Provision 4: *Procedures for Accepting Alternatives and Equivalencies.* The SOLAS amendments as well as part B of the ISPS Code allow Contracting Governments to permit alternatives and equivalencies to the security requirements if they are at least as effective as the SOLAS/ISPS Code requirements, and are reported to the IMO. The Coast Guard has indicated that it intends to allow alternatives and equivalencies for some vessels and facilities, such as allowing a company that operates a number of similar vessels and facilities to develop a master security plan provided all aspects of the operation are addressed in lieu of the individual plans. We strongly support the Coast Guard's allowance of appropriate alternatives and equivalencies, which we believe could be of relevance to liner vessels operating on fixed schedules and calling at the same U.S. ports. The submission guidance discussed in 46 CFR 30.15 and 70.15, however, provides little guidance as to the procedures and submission format for a vessel or facility owner to apply to the Coast Guard for an alternative or equivalency. It would be helpful if the Coast Guard developed an alternative or equivalency submission form, which included appropriate routing procedures.

Provision 6: *Declaration of Security (DoS).* As described in part A, section 5 of the ISPS Code, a DoS is a document that establishes an agreement between a vessel and a facility, or between vessels, on their security arrangements to ensure their communications and coordination for dealing with a transportation security incident are clearly set out in advance. The main purpose for a DoS is therefore to ensure agreement is reached between the ship and the port facility (or other ships) as to the respective security measures each party will undertake in accordance with the provisions of their respective approved security plans. The Coast Guard has expressed its intent to set national guidelines that would define the circumstances under which a DoS must be executed for vessels operating in U.S. waters and facilities located in the United States

and what form it should take. To that end, we support consistently applied national guidelines. Furthermore, regarding the agency's question about whether it should issue guidelines on this issue as guidance or as regulations, we recommend that the Coast Guard provide guidance by issuing additional detailed recommendations to describe under what situations COTPs would request that ships and facilities enter into DoSs. Such guidance could be published in Navigation and Vessel Inspection Circulars (NVICs).

With that said, the current Coast Guard sample DoS found in Appendix D to enclosure (1) of NVIC 10-02 (entitled "Security Guidelines for Vessels") seems in need of revision in light of the model DoS provided in Appendix 1 to part B of the ISPS Code. First, activity item 2 in the Coast Guard sample DoS reads: "*2. Responsibility for checking identification and screening of: a. Passengers, crew, hand carried items, and luggage. b. Vessel's stores, cargo and vehicles.*" The "screening" of cargo and cargo security generally are issues on which the liner shipping industry has been working very closely with the U.S. Customs Service. The issues involve advance documentation filings with Customs, container inspections, the Container Security Initiative, and the C-TPAT program. We understand that these subjects are not intended to be covered by the ISPS Code or this Notice and Request for Comments. We therefore strongly recommend that the Coast Guard amend its Coast Guard sample DoS to match the activity descriptions in the ISPS Code model DoS, which include, amongst other things, the "Handling of Cargo" and the "Handling of Ship's Stores". Second, activity items 3 and 4 in the Coast Guard sample DoS imply that a vessel or facility is responsible for the following functions: "*3. Responsibility for searching the berth/pier directly surrounding the vessel; 4. Responsibility for monitoring and/or performing security of water surrounding the vessel.*"³ Inclusion of these requirements, which are *not* part of the ISPS Code model DoS, suggest that either the vessel or the facility or both should assume the role of policing and ensuring the security of public waterways. Such policing activities are clearly outside the scope of privately owned companies' authority and competence. They are, and should remain, activities undertaken by the U.S. Coast Guard and other law enforcement agencies.⁴ We, therefore, strongly recommend that activities 2, 3 and 4 in the Coast Guard sample DoS be amended to match the activity descriptions of the ISPS Code model DoS. For the purposes of simplicity and uniformity, we urge the Coast Guard to replace its sample DoS with the ISPS Code model DoS.

³ Table 4 in Appendix A to Enclosure (1) to NVIC 10-02 includes a requirement that vessels "perform waterside boat patrols" (optional in MARSEC levels 1 and 2 and recommended in level 3). Policing the waters adjacent to a vessel (whether the vessel is in port or piloting restricted waterways) is a function that is clearly outside the scope of a shipping company's competence and authority. Foreign vessels transporting cargo to and from U.S. ports have no control, competence or authority over U.S. navigable waterways or the persons on them. The responsibility for patrolling waterways around vessels and private port facilities must remain the sole responsibility of federal, state, and local law enforcement authorities. We strongly urge the Coast Guard to amend Table 4, and any other such references, to remove any guidance that suggests vessels should perform waterside security patrols.

⁴ The Council supports the comments filed jointly by the United States Maritime Alliance (USMX), National Association of Waterfront Employers (NAWE), and Pacific Maritime Association (PMA), which state, inter alia, that private entities cannot assume responsibility or liability for activities that are beyond their control, such as patrolling waters adjacent to facilities and performing cargo screening and inspections.

Provision 7: *Security of Information Contained in Port, Vessel and Facility Assessments and Plans.* The ISPS Code and the MTSA require that documents related to security, especially security assessments and plans, be kept in a manner that is protected from unauthorized access or disclosure. We believe that a proper balance between accessibility and security of these documents must be reached to ensure immediate emergency access for security officials, while protecting sensitive portions of these documents, such as the codes for the Ship Security Alert System, from terrorists.

With respect to the question of designating security-related information as Security Sensitive Information (SSI), as it appears in the Coast Guard notice, any such classification would appear to apply only to U.S. flagged vessels and domestic facilities. We understand, however, that if a Vessel Security Plan (VSP) carried on a foreign-flagged vessel were treated as SSI, it would not be subject to public disclosure, and that only those with a “need to know” would have access to the VSP. We ask that the Coast Guard confirm this understanding. We also support the designation of security related information, such as the VSP, as SSI, as long as the Coast Guard notes in its final rule that security classification and safeguarding requirements from foreign flag states may differ somewhat from SSI.

IV. Port Security Provisions

Provision 8: *Port Security Plans and Committees.* The Coast Guard indicated at the public meeting held in New York on February 11, 2003, that it intends to establish Port Security Committees (PSCs) by regulation. We recommend that the PSCs be inclusive as described in the Coast Guard NVIC 9-02, and include, amongst other parties, vessel and facility owners, operators and crews, users of port facilities, and state, federal and local law enforcement officials. We believe it is of critical importance that all relevant government agencies be involved, including the U.S. Customs Service, so that PSCs can develop plans that would avoid duplicate boardings and redundant enforcement requirements. We believe that the process by which industry stakeholders would be selected for PSCs should, to the maximum extent practicable, be uniform nationwide, so as to ensure that key stakeholders are included.

We recognize that the Coast Guard must address the issue of what sensitive information would be shared with PSC members. On one hand, if PSCs are given no specialized threat information, the value of the PSC in addressing known vulnerabilities will be limited. On the other hand, if highly sensitive material is shared with PSCs, that material could be compromised. One strategy for providing some level of sensitive threat information to PSCs might be to develop an executive committee for each PSC, which upon completion of appropriate background checks could be given additional access, on a need to know basis, to sensitive threat information. The purpose of such an executive committee could be to liaise with the Coast Guard and other agencies to compile

recommendations and actions and disseminate appropriate threat information to other PSC stakeholders.

V. Vessel Security Provisions

Provision 17: *Submission of VSPs for Approval.* First, we strongly support the Coast Guard's decision, for foreign flagged vessels required to comply with SOLAS, to deem flag state approval of a VSP, which meets the SOLAS and ISPS Code requirements "to be approval of the Secretary for the purposes of the MTSA" (67 FR 79748). Obtaining affordable insurance is a difficult issue for the industry in the new security environment. Without this clear statement from the Coast Guard that the plans meet both ISPS Code requirements and the requirements of the MTSA, insurance would become even more problematic. We strongly urge continued clarity from the Coast Guard on this point. Accordingly, it is important that the Coast Guard continue to be explicit in stating that VSPs approved by flag states as compliant with SOLAS and ISPS requirements are plans deemed to be approved by the Secretary for the purposes of the MTSA.

Second, we would like to emphasize the importance of ensuring that the timing of international and domestic requirements be coordinated to avoid negatively impacting international commerce. Under the MTSA: "A vessel or facility for which a plan is required to be submitted under this subsection may not operate after the end of the 12 month period beginning on the date of the prescription of interim final regulations on vessel and facility security plans..." (*MTSA Section 70103 (c)(5)*). Given that the Coast Guard will deem flag state approval of a VSP to be approval of the Secretary, and given that ISPS/SOLAS requirements enter into force on July 1, 2004, if the Coast Guard promulgates interim final regulations before July 1, 2003, the domestic VSP requirement would enter into force *before* the IMO VSP requirements. And in such cases, the penalty would be severe—the vessel would not be allowed to operate in U.S. waters. At the public meeting in New York on February 11, 2003, the Coast Guard indicated that it intends to issue these interim final regulations on July 1, 2003. We support the promulgation of these interim final regulations on or after July 1, 2003 and strongly recommend that the Coast Guard not promulgate these interim regulations before that date.

Because of the potential penalty under U.S. law for not having an approved vessel plan in place – not being allowed to operate in U.S. waters – we strongly encourage the Coast Guard to communicate with the United States' international trading partners and to encourage those countries to take all steps necessary to ensure that they are able to review and approve the vessel security plans submitted by vessels flying their flag before July 1, 2004.

At the public meeting held in New York on February 11, 2003, the Coast Guard stated that it intends to verify, through port state control, that flag-state approved VSPs meet the SOLAS and ISPS requirements. We request confirmation that the Coast Guard will develop uniform, national guidelines for the Coast Guard's port state verification of

VSPs. We believe such guidelines would encourage consistent enforcement across different Captain of the Port (COTP) regions and therefore facilitate compliance within the industry.

Provisions 20 and 21: *Company Security Officer (CSO) and Vessel Security Officer (VSO) Designation.* We support the Coast Guard's plan to accept Company certification that CSOs and VSOs have the knowledge, experience and competencies as required by the ISPS Code. We also recommend that the Coast Guard not set forth specific training requirements for CSOs and VSOs and instead develop guidelines and allow Companies the discretion to identify and develop appropriate training programs that will enable CSOs and VSOs to comply with ISPS Code requirements. At the very least, any training requirements should be fully consistent with the requirements agreed to in the IMO.

Provision 22: *Security Training and Drill Requirements for Vessel Personnel.* We support the Coast Guard's plan to allow vessel masters, VSOs and CSOs to certify that vessel personnel have the knowledge, training, and experience required by the ISPS Code and MTSA to fulfill their security duties, and to maintain a record of such certification and completed training on board the vessel. We encourage the Coast Guard to develop recommendatory guidance for the format of vessel personnel training records to aid in port state control verifications. We also recommend that the Coast Guard allow, to the maximum extent practicable, for the consolidation of security and non-security drill and exercise requirements so that multiple required drills may be conducted simultaneously. This would enable the small crews aboard our Members' liner vessels (which average 20-25 people) to maximize each training opportunity.

VI. Other Security Provisions

Provision 37: *Seafarers' Identification Criteria Requirements.* In the Maritime Security Notice, the Coast Guard stated, "Recognizing that implementation of the Transportation Workers Identity Credential (TWIC) and ILO (International Labor Organization) efforts on seafarer identification involve substantial negotiation and development, the Coast Guard intends to continue use of criteria it set out in the August 2002 Maritime Identification Credential (MIC) Notice" (published August 7, 2002 in 67 Fed. Reg. 51082). Despite this statement, it is however important to note that the TWIC and ILO seafarer identification documents are being developed for different purposes. The Coast Guard's MIC appears to have been designed to provide an interim identification requirement for *domestic* transportation workers employed in all modes of transportation.

Upon reading the MIC Notice in August 2002, the Council contacted the Coast Guard to attempt to resolve confusion as to the applicability of the MIC requirement to foreign seafarers, because the Notice limited acceptable credentials to those "issued by a Federal,

State or local authority in the United States.” We assumed, based on this language and the fact that seafarers already have multiple international credentials, that the MIC would apply only to domestic maritime workers. The Council was, however, advised that the MIC did apply also to foreign seafarers, and that foreign seafarers entering a U.S. port facility, or embarking or disembarking from a vessel, must carry either a valid passport or identification credentials issued by a company, union or trade association. After advising the Coast Guard that the passport would not be a useful MIC because, under Coast Guard and Immigration and Naturalization Service (INS) regulations, it is required to be kept locked in the Master’s safe, the Coast Guard stated that it would publish subsequent clarification to the MIC Notice that would further explain its applicability to foreign seafarers and expand the list of credentials acceptable under the terms of the notice. This list of acceptable credentials was expected to include: the existing international seafarer document (seaman’s book), a company issued photo identification (laminated and indicating the issuing authority), and STCW credentials. Regrettably, no clarification to the MIC Notice has yet been published.

Our concern is that the MIC requirement, without further clarification, could inhibit the ability for foreign seafarers, holding valid visas, to commence shore leave, because they would not have sufficient credentials to transit the port facility. Because additional guidance has not yet been published regarding the applicability of the MIC to foreign seafarers, we urge the Coast Guard to publish clarifying guidance in the Federal Register as soon as possible.

Provision 38: *Advanced Notice of Arrival (NOA) Requirements.* The SOLAS amendments (Chapter XI-2, Regulation 9, section 2) contain some optional information elements that Contracting Governments may collect from vessels to ensure compliance with international security requirements. The Coast Guard is considering expanding its NOA transmission requirements to include *all* of these new information elements *and* requiring foreign vessels to indicate their compliance with part B of the ISPS Code. We have no objection to the Coast Guard adding information items 2.2 through 2.4 to its NOA filing requirements (2.2: *The security level at which the ship is currently operating;* 2.3: *The security level at which the ship operated in previous ports where it conducted a ship/port interface;* and 2.4: *Any additional security measure taken by the ship in any previous port*).

With that said, we recommend that, instead of adding the other information elements (items 2.1, 2.5 and 2.6) to its NOA transmission requirements, the Coast Guard should deem transmission of an NOA by a foreign vessel to be an affirmative statement by that vessel that it holds an International Ship Security Certificate issued by its flag state and is operating in compliance with the SOLAS amendments and parts A and B of the ISPS Code. We believe that transmitting information elements 2.1, 2.5 and 2.6 as well as indicating compliance with part B of in the ISPS Code in the NOA transmission would be redundant, given that the MTSA expressly prohibits vessels *not* in compliance with their approved vessel security plans from operating in U.S. waters.

Preliminary Cost Analysis. The Coast Guard's total cost estimates for ships to comply with the MTSA, SOLAS Amendments and ISPS Code did not include estimated costs for foreign SOLAS vessels that operate in U.S. waters and must comply with the MTSA and the SOLAS amendments/ISPS Code. Because foreign-flag vessels carry over 97% of the cargo bound to and from the U.S., the cost estimates substantially understate the total costs of compliance with the MTSA and ISPS Code/SOLAS amendments.

The Coast Guard estimated that the total costs per U.S. flagged SOLAS freight ship would be \$25,900 for the first year and \$11,949 for each subsequent year⁵. It is difficult to develop a precise estimate of compliance costs, but one of the Council's Member lines (a container ship operator) estimated that its costs per vessel would be \$95,422 for the first year and \$32,973 for each subsequent year. While we recognize this estimate represents one liner shipping company's estimation, the differences from the Coast Guard estimates are substantial enough to suggest that additional review of the Coast Guard estimates is warranted. Attached in Appendix B is a copy of the referenced shipping line's cost estimate, which itemizes the costs for each significant security requirement.

VII. Conclusion

The Council appreciates the opportunity to submit these pre-rulemaking comments in response to the Coast Guard's Maritime Security Notice. We appreciate the care that the Coast Guard has demonstrated during the simultaneous development of international regulations and domestic legislation. The Coast Guard's strategy for developing and implementing uniform international and domestic regulations is an effective model for efforts to enhance international transportation security. The Council and its Members appreciate the opportunity to support the efforts the Coast Guard and other federal agencies to develop regulations that will enhance the safety and security of America's international commerce, while facilitating the movement of legitimate trade.

⁵ Because total costs per foreign flagged containership were not included in the Coast Guard estimates, we made cost comparisons to the costs for a U.S. Flagged SOLAS Freight Ship (Table 5 in Appendix C of the Notice).

Appendix A**WORLD SHIPPING COUNCIL
MEMBER LIST**

- APL
- A.P. Moller-Maersk Sealand (including Safmarine and Torm Lines)
- Atlantic Container Line AB
- CP Ships Holdings, Inc. (including Canada Maritime, CAST, Lykes Lines, Italia Lines, Contship Containerlines, TMM lines, and ANZDL)
- China Ocean Shipping Company (COSCO)
- China Shipping Group
- CMA-CGM Group
- Compania Sud-Americana de Vapores (CSAV)
- Crowley Maritime Corporation
- Dole Ocean Cargo Express
- Evergreen Marine Corporation Ltd. (including Lloyd Triestino and Hatsu Marine)
- Great White Fleet, Ltd.
- Hamburg Sud (including Columbus Line and Alianca)
- Hanjin Shipping Company, Ltd.
- Hapag-Lloyd Container Linie GmbH
- HUAL AS
- Hyundai Merchant Marine Company, Ltd.
- Italia Line
- Kawasaki Kisen Kaisha Ltd. (K Line)
- Malaysia International Shipping Corporation (MISC)
- Mediterranean Shipping Company, S.A.
- Mitsui O.S.K. Lines
- NYK Line
- Orient Overseas Container Line, Ltd.
- P&O Nedlloyd Limited
- United Arab Shipping Company
- Wan Hai Lines Ltd.
- Wallenius Wilhelmsen Lines
- Yangming Marine Transport Corporation, Ltd.
- Zim Israel Navigation Company, Ltd.

Appendix B

Estimated Vessel Security Costs							
Number of Ships: 25							
Note: These estimates represent data from one liner shipping company.							
Item	Content	Date of Implementation	Legal Basis	Initial Costs Per Vessel	Total Initial Costs (25 vsls)	Annual Follow Up Costs Per Vessel	Total Annual Follow Up Costs (25 vsls)
1	Admittance Control, 1 additional OS (Valuation of staff related additional expense on board/ Dep. 2820)					\$22,080	\$552,000
Expense and Investment Related to Statutory requirements (SOLAS Amendments: Special Measures to Enhance Maritime Safety/Security; International Ship and Port Facility Security Code (ISPS Code)):							
2	Installation of Automatic Identification System (AIS)	Not later than 1st survey for 'Safety Equipment' on/after 01.07.2004	SOLAS V, Reg. 19	\$22,080	\$552,000		
2.1	Ship Identification Number	Not later than 1st dry-docking after 01.07.2004	SOLAS XI-1, Reg. 3	\$1,766	\$44,160		
3	Development of Ship Security Plans (SSP) per class, approved by the administration. Conduction of 'initial AND annual security surveys'	7/1/2004	SOLAS, ISPS-Code, Reg. 8, 9	\$1,914	\$47,840	\$1,914	\$47,840
4	Designation and Training of Company Security Officer (CSO) and Ship Security Officer (SSO)	7/1/2004	SOLAS, ISPS-Code, Reg. 11, 12, 13	\$1,288	\$32,200		
5	Issuing of 'seafarer identification document' by ILO	No information given	IMO-MSC 75 'Seafarer Identification'	\$1,582	\$39,560		
6	Ship Security Alert which alarms automatically 'competent authority' when released: using radio communication installation	<u>Passenger vessel:</u> 1st survey 'Radio Installation' after 01.07.2004 <u>Container vessel:</u> 1st survey 'Radio Installation' after 01.07.2006	SOLAS XI-2, Reg. 6	\$9,200	\$230,000	\$920	\$23,000
6.1	<u>Securing and marking of restricted areas</u> (bridge, machinery spaces, control stations..): - hardened doors/windows, - locks (digit-locks/ one-way doors?)		SOLAS XI-2, Annex	\$8,832	\$220,800	\$883	\$22,080
6.2	<u>Screening equipment</u> for prohibited weapons, incendiaries, explosives (z.B. metal detectors)		SOLAS XI-2, Annex	\$4,600	\$115,000	\$460	\$11,500
6.3	<u>Monitoring-equipment:</u> Radar or closed circuit television or 'look out' in order 'to detect potential threats approaching or accessing ship'.		SOLAS XI-2, Annex	\$44,160	\$1,104,000	\$4,416	\$110,400
7	Issuing of 'Ship Security Certificate' by Flagstate/GL, with annual survey, renewal etc.		SOLAS XI-2, Annex			\$2,300	\$57,500
TOTALS:				\$95,422	\$2,385,560	\$32,973	\$824,320