VSO Endorsement to be Required for Mariners on Vessels Subject to STCW

The U.S. Coast Guard has published an interim rule that will require Vessel Security Officers (VSOs) on vessels subject to the International Convention on Standards of Training, Certification and Watchkeeping (STCW) to obtain a Coast Guard endorsement on their license or Merchant Mariner’s Document and complete a Coast Guard-accepted VSO training course. The interim rule, which aligns Coast Guard requirements with international standards to which the United States has already agreed, was published without a notice of proposed rulemaking (NPRM) and takes effect June 19. The rule will require certification of individuals currently serving as VSOs by July 1, 2009.

Under current Coast Guard regulations, mariners who serve as VSOs are required to have maritime security knowledge, which may be obtained through training or equivalent job experience, as self-certified by the owner/operator of the vessel employing the individual. Coast Guard certification is not required. The new regulations will require Coast Guard certification in the form of a VSO endorsement for mariners who are performing VSO duties on board vessels subject to the STCW. Barges, vessels operating exclusively on the Great Lakes and inland waterways, and vessels less than 200 gross registered tons are not subject to STCW.

In order to obtain a Coast Guard endorsement as VSO, VSOs must:
- be at least 18 years of age;
- speak and understand the English language sufficiently as related to VSO duties;
- hold valid credentials;
- complete Coast Guard-accepted VSO training course.

Mariners who are currently serving as VSOs will be required to obtain a Coast Guard-issued credential with a VSO endorsement. Mariners who have already completed a Maritime Administration-approved VSO course before June 19 will be considered in compliance with the training requirement and will only have to meet the other qualification requirements. Mariners who have completed a non-MARAD training course prior to June 19 can meet the training requirement by completing a Coast Guard-accepted VSO refresher course and will be able to serve as VSO,

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VSO Endorsement to be Required for Mariners on Vessels Subject to STCW

(continued from page 1)

upon completion of the training, until July 1, 2009, at which time they must take a full VSO training course.

The Coast Guard will accept comment on the interim rule until July 21. For a copy of the interim rule, click here. AWO members with questions or concerns relating to the interim rule should contact Susan Miller at (703) 841-9300, extension 262, or smiller@vesselalliance.com.

National Maritime Center Introduces Sea Service Renewal Calculator

The National Maritime Center (NMC) has launched a new sea service renewal calculator that will enable mariners to calculate their sea service time for license and merchant mariner documentation renewals. The NMC expects to expand the functionality to include calculations for most original and grade-raise license and merchant mariner document transactions. Credit for sea service is based on the date of the application and must have been completed within the past five years in order to count toward the 360 day requirement. The sea service calculator is available on the Coast Guard’s Homeport Web site at http://homeport.uscg.mil by clicking “Merchant Mariners” and then “Sea Service Renewal Calculator.” Questions and comments can be directed to the NMC at 1-888-IASKNMC or by emailing iasknmc@uscg.mil.

AWO Member, House Committee Chairman Discuss TWIC Problems in Radio Interviews

In late May, Federal News Radio of Washington, D.C. aired two stories highlighting industry and Congressional concerns with the Transportation Worker Identification Credential (TWIC) program. The first story examines how the TWIC program is affecting the inland barge industry and features AWO member Steve Golding, Golding Barge Line, Inc. To listen to the story, click here.

The second story is an interview with Congressman Bennie Thompson (D-MS), Chairman of the House of Representatives Homeland Security Committee. To listen to the story, click here. For more information, please contact Susan Miller at (703) 841-9300, extension 262 or at smiller@vesselalliance.com.

VESSSEL RESPONSE PLAN REMINDER ISSUED

On May 28, the U.S. Coast Guard issued a notice reminding vessel owners and operators of the process for submitting and resubmitting Vessel Response Plans (VRPs) for Coast Guard review and approval. VRPs are required under the Oil Pollution Act of 1990 for vessels that carry oil as cargo in U.S. waters. Resubmissions of VRPs should be made six months prior to the end of the plan’s approval period in order to ensure that the Coast Guard has adequate time to review and approve them. VRP resubmittals only need to include those changes necessary to bring them into full compliance with the current regulations, which may involve simply making minor changes to the VRP.

VRPs should be sent to:

Commandant (CG-5431)
U.S. Coast Guard
VRP Review Team, Room 2100
2100 Second Street, SW
Washington, D.C. 20593

For more guidance on VRPs, please click here. AWO members with questions should contact Mary McCarthy at (703) 841-9300, extension 254, or via email at mmccarthy@vesselalliance.com.
**Congress Considers Criticism of Coast Guard Casualty Investigation Function**

The Subcommittee on Coast Guard and Maritime Transportation of the House of Representatives Transportation and Infrastructure Committee held a hearing May 20 on the possibility of transferring certain casualty investigation functions from the U.S. Coast Guard to the National Transportation Safety Board (NTSB). The hearing was prompted by a new report from the Department of Homeland Security (DHS) Office of Inspector General (OIG) and by a request from the NTSB for a legislative change to grant the agency primacy in the conduct of marine casualty investigations.

Testifying before the subcommittee were Anne Richards, Assistant Inspector General for Audits, DHS; RADM James Watson, Director of Prevention Policy, Coast Guard; and, Kathryn O’Leary Higgins, Board Member, NTSB.

The NTSB currently holds authority as the main investigating agency on casualties involving aviation, railroads and pipelines. The responsibility to investigate marine casualties lies primarily with the Coast Guard, though the NTSB may conduct parallel investigations. The OIG report concluded that most Coast Guard casualty investigators are neither fully qualified to carry out investigations, nor is the agency conducting thorough and adequate investigations. In 2006, faced with a substantial backlog of incomplete investigations, the Coast Guard ordered a mass closure of cases without thorough staff review. The NTSB has requested that it be allowed to continue to conduct joint investigations with the Coast Guard but that in high-profile cases, or in cases where disagreement between the agencies arises, the NTSB be granted the statutory authority to take the lead in the investigation and be the spokesman to the public.

Subcommittee Chairman Elijah Cummings (D-MD) pointed out that the NTSB has a limited budget and questioned how the agency would handle the additional work load that would come with this authority. He also asked what criteria would cause an incident to warrant NTSB attention. Ms. Higgins responded that the NTSB is already involved in marine casualty investigations and that the agency is only requesting the authority to take the lead in high-profile investigations. Some of the contributing factors would include monetary cost, loss of vessels, loss of life and whether the incident has serious safety implications for the industry or if it is an incident that has been (continued on page 4)

**TWIC Enrollment Update**

TWIC enrollment will begin at the following ports:

- **June 9-12**: Lana’i, HI
- **June 10-17**: Petersburg, AK
- **June 18**: St. Thomas, VI; Nikiski, AK; Escanaba, MI; Chester, PA
- **June 18-20**: Wrangell, AK

For the complete up-to-date TWIC Quarterly Deployment Plan, please click [here](#).
Bill Raising Liability Limits Voted Out of Senate Committee

On May 21, the Senate Committee on Environment and Public Works marked up Senator Frank Lautenberg’s (D-NJ) bill doubling the liability limits for single-hulled tankers and tank barges from $3,000 to $6,000 per gross ton for 2009 (S. 2700). The committee voted to make technical amendments to the bill correcting spelling errors and incorrect dates of implementation, and also agreed to add language that would ensure the bill would act proactively and not retroactively.

In his opening statement, Chairman Cummings expressed his belief that legislation may be necessary to ensure that standards for the marine safety program are in place and stated that the enactment of the Coast Guard Authorization Act, H.R. 2830, is “absolutely critical.” Transportation and Infrastructure Committee Chairman James Oberstar (D-MN) and Chairman Cummings agreed that there are certain instances where statutory changes are necessary; however, in this case, they said, the Coast Guard and NTSB need to work out changes to the existing Memorandum of Understanding between the two agencies to establish the appropriate division of authority for marine casualty investigations. Both chairmen expressed the willingness of the Transportation and Infrastructure Committee to assist the Coast Guard in acquiring whatever resources are necessary to implement the recommendations in the OIG report and to address the issues facing the marine casualty investigation program.

For a copy of the OIG report, click here.

AWO opposes any increase in liability limits at this time because the Coast Guard is still implementing increases mandated by the Coast Guard and Maritime Transportation Act of 2006. In addition, the basis for Senator Lautenberg’s legislation, a 2007 Government Accountability Office report that found that limits of liability for tank barges are disproportionately low as compared to the average cost of a tank barge spill, is at best incomplete and at worst flawed.

AWO will be advocating this position to Members of Congress and their staffs in the coming weeks. For more information, please contact Mary McCarthy at (703) 841-9300, extension 254, or mmccarthy@vesselalliance.com.

CEMS Training Opportunities

The Crew Endurance Management System (CEMS) is a system for managing risk factors in maritime work environments that can lead to human error and performance slumps. The Coast Guard and AWO have been working together to help companies implement the principles of CEMS. In this space, AWO will publish details of CEMS training opportunities around the country. For further information on CEMS training opportunities, please contact LCDR Vivianne Louie, U.S. Coast Guard, at (202) 372-1358.

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<td>Salyers Solutions, LLC Huntington, WV</td>
<td>Jo Ann Salyers (Instructor) (504) 236-4962 <a href="mailto:salyers_solutions@hughes.net">salyers_solutions@hughes.net</a></td>
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<td>June 30-July 1</td>
<td>Salyers Solutions, LLC Honolulu, HI</td>
<td>Jo Ann Salyers (Instructor) (504) 236-4962 <a href="mailto:salyers_solutions@hughes.net">salyers_solutions@hughes.net</a></td>
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<tr>
<td>June 30-July 1</td>
<td>Ingram Marine Group Paducah, KY</td>
<td>Ron Robbins (Contact) (270) 441-1635 <a href="mailto:ron.robbins@ingrambarge.com">ron.robbins@ingrambarge.com</a></td>
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<tr>
<td>July 15-16</td>
<td>Salyers Solutions, LLC Norfolk, VA</td>
<td>Jo Ann Salyers (Instructor) (504) 236-4962 <a href="mailto:salyers_solutions@hughes.net">salyers_solutions@hughes.net</a></td>
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Twelve AWO Members Recertify RCP Compliance

Twelve more AWO member companies have certified or recertified their commitment to the Responsible Carrier Program (RCP). Congratulations to these companies on their successful participation in the program! The RCP is the award-winning safety management program of the tugboat, towboat and barge industry. Members are required to undergo a certification audit by an AWO-certified third-party auditor within one year of joining AWO and to recertify every three years to verify their compliance with the RCP.

For these companies, this achievement is tangible proof of their commitment to improved safety and environmental protection, and is concrete evidence of their dedication to the continuous journey toward this goal. AWO is proud of their accomplishment. For information on the RCP or the audit, please contact Bob Clinton (703) 841-9300, extension 253, or via email at bclinton@vesselalliance.com.

The following companies have recently achieved audited recertification:

- AEP River Operations LLC
  Chesterfield, MO
- Bren Transportation Corp.
  Brooklyn, NY
- CGMB 100, LLC
  Kenner, LA
- Connolly-Pacific Co.
  Long Beach, CA
- Egan Marine Corporation
  Lemont, IL
- Ingram Barge Company
  Nashville, KY
- McNational, Inc.
  South Point, OH
- Miller’s Launch, Inc.
  Staten Island, NY
- Parker Towing Company
  Tuscaloosa, AL
- Third Coast Towing, LLC
  Corpus Christi, TX
- Upper Mississippi Fleeting, L.L.C.
  Buffalo, IA
- Western Kentucky Navigation, Inc.
  Paducah, KY

Coast Guard Promotes Recreational Boat Safety with “Operation Clear Channel”

Summer has arrived, which means it is time for people to enjoy recreational boating, be it fishing, water skiing or simple relaxation. However, recreational boaters need to be aware of basic rules of the water so that they can have fun safely. With that goal in mind, the Coast Guard is promoting “Operation Clear Channel,” a program to educate boaters on the dangers of navigating through shipping channels.

A boat colliding with another vessel is the most reported type of boating incident. This is especially important to remember when operating a boat in shipping channels. The Coast Guard’s “Operation Clear Channel” advisory states, “Imagine a tractor trailer attempting to stop for a toy car with less than 100 feet to do so. This is roughly the equivalent of a tanker ship attempting to stop for a small recreational vessel that has drifted into the channel 1,000 feet in front of the ship. The recreational vessel would have less than one minute to get out of the way before being struck by the tanker.”

The Coast Guard reminds recreational boaters to steer clear of navigation channels, be aware of all other vessels in the area, and always give way to larger ships that maneuver and change speeds more slowly.

It is recommended that recreational boat operators take a safe boating course before getting on the water. Mariners interested in increasing their knowledge of boating safety, including the “Rules of the Road” that provide guidelines for boating safety in navigational channels, should consider taking one. Course information is available by clicking here, and state boating laws can be found by clicking here. For more information, please contact Susan Miller at (703) 841-9300, extension 262, or via email at smiller@vesselalliance.com.
“Tug and Barge Industry Opposes Plan to Impose Lockage Fees”

The following article, written by David Tyler, appeared in the June/July issue of Professional Mariner magazine. It quotes AWO members Ingram Barge Company and Campbell Transportation Company, Inc.

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A proposal to gradually replace fuel taxes with lockage fees to pay for upkeep and improvement of the inland waterway system has met with opposition from representatives of the barge and towing industry.

The plan, which would more than double the tax private companies pay to help maintain the inland waterway system, is part of the White House’s fiscal 2009 budget for the Civil Works programs of the U.S. Army Corps of Engineers.

Currently, the barge and towing industry contributes $90 million to a fund that pays for upkeep. The fiscal 2009 budget projects that industry would contribute about $190 million.

“We think it’s a terrible idea,” said Dan Mecklenborg, senior vice president and chief legal officer of Ingram Barge Co. of Nashville, Tenn. “We think the lockage fee is fundamentally flawed. We also oppose an increase of any type of tax on inland navigation at this time,” he said.

Mecklenborg is chairman of the industry group Waterways Council Inc. that opposes lockage fees, along with American Waterways Operators (AWO), a national trade group.

The lockage fees proposal means that some users of the inland waterway system would pay a disproportionate share of the cost, while other users might pay nothing at all, according to Mary McCarthy, Government Affairs Associate with AWO.

There are 186 locks on the 27 shallow-draft waterways across the country that are part of the fuel-tax inland waterway system, according to the Army Corps of Engineers. In 2005, 425,594 barges did not transit a lock, according to figures from the Waterways Council. That’s 49 percent of all barges, hauling cargo or empty, which are now subject to the fuel tax.

In addition, a switch to lockage fees could harm economies of regions that depend on the inland waterways, but are at the end of the inland waterway system. “From a public policy point of view, this clearly makes inland river transportation less competitive – especially in areas where there are more locks like Pittsburgh and the upper Ohio (River),” said Peter Stephaich, CEO and president of Campbell Transportation Co. Inc. of Charleroi, Penn. “What it does, by adding extra costs to our mode of transportation, it would tend to make waterways less competitive” and push cargo to trains and trucks, he said.

Since transport by water is the most efficient means to move cargo nationally, especially with an overburdened road system, barge and towing officials don’t understand this increase. “At a time when we’ve got an economic slowdown and the need for stimulus, it seems even more misguided to hamstring the most efficient mode of transportation with additional taxes,” said Mecklenborg.

The cost of moving cargo on the fuel-taxed inland waterway system is about two-thirds that of rail transport and one-tenth that of truck transport, according to 2007 figures from the Corps.

Right now there is a 20-cents-per-gallon tax on diesel fuel used to move cargo on the fuel-tax waterway system. Fuel taxes go into the Inland Waterways Trust Fund. The cost-share formula in place requires commercial users and the federal government to split 50-50 the cost of inland waterways construction for replacement, expansion and rehabilitation.

The fund has steadily declined since its peak in fiscal 2002 of $394.1 million, according to statistics from the AWO. The fiscal 2009 budget estimates that the trust fund will take in $190 million from industry, with $109 million from the lockage fees.

In the proposed fiscal 2009 budget, the lockage fees would be gradually phased in starting Oct. 1, increasing each year through Dec. 31, 2012. The fuel tax would be phased out over this period.

“We think the lockage fee has an advantage in how it places the economic burden of the new construction and the major rehabilitation of facilities on the users of the facilities in the primary instance, and there is a certain fairness to that,” said John Paul Woodley Jr., assistant secretary of the Army for Civil Works, who supervises the Corps’ Civil Works programs, including its budget.

Woodley understands that not everyone shares this viewpoint. “I have heard and understand the concept that it is also desirable on the other hand to have an inland waterway system that is a seamless, interconnected system in which all parts contribute to the whole,” he said. “I think that is also a very compelling concept with a great deal of merit.”

(continued on page 7)
“Tug and Barge Industry Opposes Plan to Impose Lockage Fees”
(continued from page 6)

Specific details of the lockage-fee proposal have not yet been released.

There will be many opportunities for comment. However, “I’d hope we could see a sense of urgency once we bring the proposal forward,” Woodley said, acknowledging that it has taken his agency over a year to put the proposal together.

Without the additional revenues from this proposal, the trust fund will not be replenished fast enough to fund the needed waterway projects. “We really have critical needs,” Woodley said. “One of the reasons that the trust fund is where it is, is that this administration has recognized that and has accelerated construction of critical infrastructure projects.”

Barge and towboat operators are also upset with the increase because they believe the system to maintain the nation’s inland waterways is broken. A tax hike or a change in how taxes are collected should not happen until this system is fixed, they say.

Between 1986 and 1996, it took an average of 6.3 years to build seven locks projects, according to R. Barry Palmer, Waterways Council president. From the time of authorization to building, these projects increased in cost an average of 34 percent.

Since then, the average time to complete a project has grown to 17 years, with the cost of these projecting rising 90 to 100 percent.

For example, the Olmsted Lock and Dam was authorized in 1988 at a cost of $775 million and the project was to be completed in seven years. Ground was not broken until 1996 and it will not be finished until 2021 at the earliest, according to the Army Corps of Engineers. The cost is now nearly $2 billion, according to Palmer.

“Let’s get these projects to where they can be built on time and on schedule,” said Palmer. “Let’s limit the exposure of the private sector for their tax burden. Let’s get these things fixed, and then we will discuss the tax issues. Otherwise we’re giving the government a blank check.”

AWO officials say that the way lock projects are authorized, planned and funded should be carefully examined before new taxes are considered. “Inadequate budgeting, planning and project extension are the main reasons for the projected trust fund deficit, not inadequate user fees,” said Tom Allegritti, CEO and president of AWO, in a release. “Increasing user fees at this time would unduly burden the industry to solve a problem that is not our doing.”

Because projects are funded incrementally through the annual federal budget process, “in many cases that has not allowed for the most efficient contracting and construction techniques to be used,” Woodley said. But that is true of every element of the civil works budget. “That is a question of reform of the financing as much as it is anything peculiar to the waterways trust fund,” Woodley said.

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“Port ID Delays Worry Lawmakers”

Employees Face Long Waits On ‘Help Desk’

(continued from page 7)

“The help desk has proven to be a yet another poorly designed and managed program that is negatively impacting those individuals who compromise the valuable eyes and ears of our nation’s transportation system,” said Rep. Bennie Thompson, Mississippi Democrat and committee chairman.

“The Department of Homeland Security must improve its oversight of this program if it hopes to salvage TWIC and prevent another contract management fiasco like Deepwater,” Mr. Thompson said, referring to the Coast Guard’s plan to modernize its fleet.

In 2002, shortly after the Sept. 11 terrorist attacks, Congress ordered that background checks be conducted on those who work at the nation’s ports. The new IDs were supposed to go to the 1 million employees at the nation’s ports, such as those who work on the docks or drive trucks.

The program requires the workers to undergo fingerprinting and background checks. Employees can pre-enroll online, but must visit a regional enrollment center to register and pay a $132.50 fee. They have to make a second trip to pick up the cards.

The Transportation Security Administration (TSA), which administers the program, said in a statement Friday that it was working with its contractors to “ensure their obligations are being met, specifically, performance standards for wait times on the help desk and responding to the individuals’ inquiries.”

TSA has described the new cards as a “vital security measure that will ensure individuals who pose a threat do not gain unescorted access to secure areas of the nation’s maritime transportation system.”

Lockheed Martin Transportation & Security Solutions, part of Lockheed Martin Corp., said it also was addressing the problem.

“Lockheed Martin acknowledges that wait times have increased and we’re taking aggressive steps to resolve the issue,” said spokeswoman Leslie Holoweiko, pointing to improvements such as online card status checks.

The company won the five-year, $70 million contract from the Homeland Security Department in February 2007.

The TWIC program is mandated to place employee callers on hold for no more than three minutes. According to the committee, wait times are inching toward 20 minutes, frustrating employees and employers. As of last week, the average wait time fell to 14 minutes, according to Lockheed.

The International Brotherhood of Teamsters, which has about 25,000 members subject to TWIC, says it is troubled by the repeated delays of the implementation date.

“From a security standpoint, we’re probably the most vulnerable at the ports around the country, because of the tremendous volume going through these ports,” said Chuck Mack, the group’s port division director and international vice president. “Anything that delays the security programs going into place...raises the threat of a breach.”

Mr. Mack said drivers also have been frustrated by “redundant” background checks. Many of the drivers going to the ports already have certification to carry hazardous materials, which come from the state and federal levels and require fees and background checks. He said many of the background checks are similar to the TWIC requirements, but drivers have to complete the process twice.

More than 300,000 workers are now enrolled in TWIC, according to Lockheed Martin.
Monongahela River Lock Damaged

On May 30, a cracked anchorage component of the main lock chamber of the Monongahela River’s Braddock lock and dam caused the U.S. Army Corps of Engineers to declare an Operational Emergency. No injuries were reported. The failure can be traced to the structural steel installed in the 1951 lock rehabilitation; the steel was undersized and not in accordance with the structure’s design.

In order to minimize impact on the flow of waterways commerce, the Corps made temporary repairs that were completed on June 2, and the main chamber is now back in service. The necessary long-term repair work will be done during the scheduled major lock closure later this year.

For more information, please contact Lynn Muench at (314) 446-6474, or via email at lmuench@vesselalliance.com.

Southern Region

Houston Officials to Hold Industry Stakeholder Meeting on Revised State Emissions Regulations

On June 12, the Houston-Galveston Area Council (H-GAC) will hold a meeting for marine and port industry stakeholders to discuss Texas’s revision of its State Implementation Plan (SIP). SIPs are state regulations, approved by the Environmental Protection Agency, that bring a state into compliance with federal Clean Air Act standards. Because the Houston area does not currently meet federal standards for ozone, the Texas Commission on Environmental Quality (TCEQ) is working with H-GAC to revise the SIP so that the area comes into compliance with the standards.

H-GAC and TCEQ are engaging marine and port stakeholders to solicit input on the revisions and their impact on business operations. The June 12 meeting will begin at 1:30 p.m. in the H-GAC offices, Conference Room A, 3555 Timmons Lane, Houston, TX.

AWO secured a second meeting for its members who are not able to attend the June 12 meeting. The additional meeting will be held on June 19 at 1:00 p.m.

For more information, please click here, or contact Addie Wiseman at (281) 540-5004 or via email at awiseman@vesselalliance.com.

Southern Region

** BREAKING NEWS **

MRGO Deauthorized

On June 5, the U.S. Army Corps of Engineers officially deauthorized the Mississippi River Gulf Outlet (MRGO). For a copy of the Corps’ press release, click here. For more information, see the next edition of the AWO Letter or contact Addie Wiseman at (281) 540-5004 or awiseman@vesselalliance.com.