Office of Spill Prevention and Response Spill Prevention and Response Day



Regulatory Update: Environmental Compliance and Enforcement

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May 14th - California Maritime Academy, Vallejo, CA



Key Legislation

International Conventions

SOLAS and MARPOL

Federal Law / Regulations

- Act to Prevent Pollution from Ships ("APPS")
- Clean Water Act ("CWA")
- Oil Pollution Act of 90 ("OPA 90")
- Ports & Waterways Safety Act

State Laws

Alaska, California, Washington, Oregon,
 New York, Maryland and others

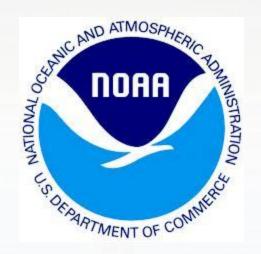




Regulatory Update





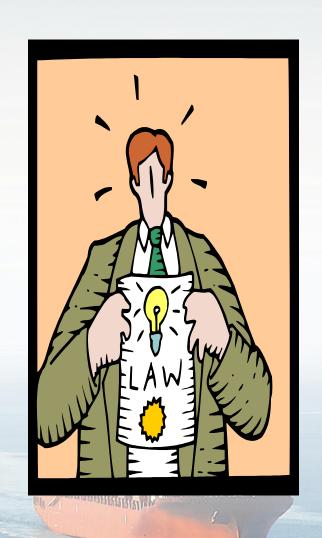






Regulatory Update (cont.)

- –MARPOL Annex V
- -MARPOL Annex VI
 - North American ECA
 - Caribbean ECA
- Ballast Water Management
- -EPA's Vessel General Permit
- Marine Casualty Reporting





MARPOL Annex V – Garbage



- Revised Annex V effective January 1, 2013
- Stricter garbage management procedures and documentation
 - Before, discharge generally allowed unless prohibited
 - Now, general prohibition with limited exceptions for food wastes and cargo residues and operational wastes not harmful to the marine environment
- Requires detailed Garbage
 Management Plan and Garbage
 Record Book

MARPOL Annex VI – Air

- Regulations for the Prevention of Air Pollution from Ships
 - Ozone depleting substances, VOC emissions, and NOx and SOx emissions
 - Restrictions on incinerators and fuel quality requirements
 - Requires:
 - International Air Pollution Prevention Certificate
 - Engine International Air Pollution Prevention Certificate
 - Lots of recordkeeping How to do so may differ by flag state
- Emissions Control Areas (ECAs)
 - North American ECA August 2012
 - Caribbean ECA January 2014

→ Accurate record keeping is critical!





North American Emission Control Area

- Went into effect August 1, 2012 and encompasses most of US and Canada out to 200 nautical miles.
 - Written procedures for fuel switching
 - Recordkeeping requirements
- Vessels subject to MARPOL required to use fuel with a sulfur content 1.00% or less.
 - On January 1, 2015, sulfur limit reduced to 0.10%.



North American ECA (cont.)

Guidance

- EPA Interim Guidance on Fuel Oil Non-Availability
 - Notification of EPA, port of destination and flag
 - Fuel Oil Non-Availability Reports
- Coast Guard Policy Letter, ECA Job Aid, FAQS

Enforcement

- MOU between EPA and Coast Guard
- EPA Subpoenas for failure to use compliant fuel

Notices of Protest

When company sampling exceeds 1%



U.S. Ballast Water Management

- Mandatory ballast water management and reporting
 - Applies to vessels operating in U.S. waters with ballast tanks
 - Civil and criminal penalties for non-compliance
- Coast Guard Final Rule (March 2012)
 - Must do one of the following:
 - Install and operate a USCG type-approved BWMS on a phased-in schedule
 - Use only water from the U.S. public water system
 - Do not discharge ballast water in U.S. waters
 - Discharge to a shore-based treatment facility
 - Complete BWE at least 200 nm from shore <u>until</u> required to have BWMS
 - Challenges with approved IMO Alternative Management Systems (AMSs)





U.S. Ballast Water Management (cont.)

- So, what is a company to do?
 - Are there type-approved systems? Shoreside treatment?
 - Do the AMSs work?
 - Coast Guard Extensions
 - Vessel General Permit Conundrum: How to I deal with the VGP?





EPA's 2013 Vessel General Permit

- Effective date December 19, 2013
- 27 discharges covered
- Some key differences from 2008 VGP
 - Ballast water (numeric limits)
 - Oil-to-Sea Interfaces / Environmentally
 Acceptable Lubricants
 - Monitoring requirements for ballast water, bilge water, graywater and exhaust gas scrubber effluent





EPA's 2013 Vessel General Permit

(cont.)

- Some key differences from 2008 VGP (cont.)
 - Administrative improvements
 - Recordkeeping (electronic okay onboard)
 - Consolidation of reporting into one Annual Report (on line)

→ Enforcement on the rise





VGP - Enforcement Actions

Cruise Ship

 Pool water discharged into Glacier Bay (May 2011) in violation of VGP (\$20,000)

Passenger Ferry

 Violated mercury standards through discharge of coal ash into Lake Michigan in 2012 (\$25,000)

Hong Kong Ship Management Company

 \$5,000 for failure to conduct inspections and train crewmembers





Environmentally Acceptable Lubricants

- Must be used in oil-to-sea interfaces unless "technically infeasible"
 - None meet manufacturers' specs
 - No alternatives
 - Changeover must await vessel's next drydocking
 - Document why not....





Recordkeeping / Inspections

Records

- Voyage Log
- Documentation of all inspection, deficiencies and violations
- Analytical results
- Training records
- Certain Maintenance
- MSDS for EALs

Inspections

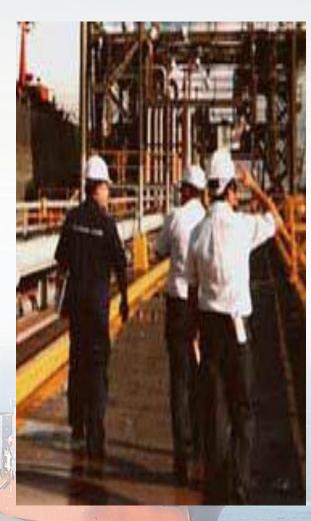
- Weekly/Voyage
- Annual
- Drydock





Ballast Water – EPA and Coast Guard's Different Approaches

- EPA's "Low Enforcement Priority" Letter
 - EPA's response to "no type-approved" BWMS
 - Must have USCG extension to quality
 - Must be in compliance with all other aspects of the VGP
 - EPA will then exercise its discretion...
 - Subject to change at any time
 - DOES NOT = Compliance
 - Annual Report must list these non-compliances



Ballast Water Conundrum

- Ballast Water (USCG Final Rule in March 2012)
- EPA's Vessel General Permit 2013
- The Conundrum
 - USCG Extension Letter
 - EPA "Low Enforcement Priority" Letter
 - UV / Filtration Systems
 - Non enforcement ≠ Compliance
- Implications
 - Non-compliance
 - Public filings
 - Enforcement
 - Citizen Suits





U.S. Coast Guard / EPA

Coast Guard inspects / EPA enforces

Inspections began March 2011 as part of PSC program

When deficiencies discovered:

- Focus will be on record keeping
- Encourage immediate corrective action
- Entered into MISLE, which is available to EPA for review and enforcement
- Penalties issued by EPA







CRIMINAL ENFORCEMENT

CRIMINAL ENFORCEMENT

Update





Prosecutions – Liability Theories

- APPS Centerpiece of criminal prosecutions
 - Annex I and Annex V
 - Ballast water
 - Clean Water Act
 - Failure to report hazardous conditions
- Other problems post-incident conduct
 - False Statements
 - Obstruction of Justice
 - Conspiracy
- Annex VI? VGP?





"Post Incident Conduct"

- False Statements Act It is a felony to falsify documents, lie to government officials, or conceal material information either orally or in writing.
 - Interviews, documents, meetings, log books, general conversation
- Obstruction of Justice It is a felony to interfere with an investigation
 - Destroying documents, modifying documents, encouraging someone not to talk or to lie to an investigator, or lying to an investigator about what happened.



Coast Guard Referrals to DOJ

Year	Number

2008 12

2009 9

2010 22

2011 18

2012 12





Port State Control Facts

- ~9200 different vessels
- ~9300 inspections
- ~120 detentions
 - 18% marine pollution
- Most in New Orleans and Miami
- Corpus Christi, Mobile,
 Portland and New York
 increasing













It's mostly about having false records...What's the false statement?

Oil Record Book Entry

NAME OF SHIP	INSPIRATION	
DISTINCTIVE NUMBER		
OR LETTERS	C6 FH5	***************************************
CARGO/BALLAST OPE	RATIONS (OIL TANKERS)*/M	ACHINERY SPACE

Date	Code (letter)	Item (number)	Record of operations/signature of officer in charge
SER 09-02	٥	J3	DISCHARGED APX 4 W OFBILGE WATER FROM HB CLEANSIDE TO OVERBOARD
	9	14	STARTED 05:30 STOPPED D6:45
	٥	15.2	THROUGH 15 PPM EQUIPMENT
	•		START POSITION 27°48'N 088°48'W STOP POSITION 27°28'N 088°371'W HOLDING TK. HB CLEANSIDE APX. 7 W R.O.B.
	•	. •	- Allo



In 2013...

- In January in DC following a jury trial, a New Zealand fishing company, and a chief engineer, were sentenced for APPS violations and obstruction of justice and fined \$1.9 million; chief engineer was sentenced to 30 days in jail and fined \$6,000.
- In February in DC, *Pacific International Lines* pled guilty to APPS violations and false statements and agreed to pay a \$2.2 million fine and implement an ECP.
- In March in Washington, a barge owner was sentenced to 4 months in prison, 8 months of home detention, 100 hours of community service, and 3 years of supervised release for violations of the Clean Water Act for unlawfully discharging oil on the Columbia River and failing to report the discharge during a salvage operation.
- In June in Virginia, a domestic U.S. a fishing company, pled guilty to Clean Water Act violations for the improper discharge of bilge water and bail water; sentenced to a \$7.5 million fine and an ECP.



2013...(cont.)

- In June in New Jersey, *Columbia Shipmanagement* pled guilty to APPS violations, obstruction of justice and falsifying the ORB; sentenced to a \$10.4 million fine and an ECP.
- In July in Louisiana, Chief Engineer on the *Stolt Facto* was sentenced to a \$10,000 fine and 3 years probation for obstruction of justice related to alleged APPS violations, as he instructed the crew to deny any knowledge of the discharges when interviewed by the Coast Guard.
- In August in Virginia, *Diana Shipping Services*, Chief Engineer and Second Engineer convicted of multiple felony counts, after a bench trial, of APPS violations, conspiracy, falsification of records, and obstruction of justice; sentencing November 8.
- In September in Virginia, Angelex Ltd. and Kassian Maritime were found not guilty of 16 counts after a 9 day trial alleging that they illegally discharged bilge water in violation of the Act to Prevent Pollution from Ships and then attempted to hide the illegal discharges from the U.S. Coast Guard.

And now 2014...

• In March in Connecticut, Odfjell and a senior engineer, pled guilty to APPS violations and will pay a \$1.2 million fine. According to several engine room crew members, the senior engineer directed them to use a complex system to transfer the bilge water from the bilge holding tank to the sewage tank and then overboard. Once the bilge holding tank was emptied, he directed the crewmembers to put clean fresh water and salt water into the tank and then processed this water through the OWS/OCM because these devices automatically record the time they are being operated, thus creating an electronic record to account for the bilge water that had bypassed the equipment and been discharged directly overboard.

Other cases pending....





Trends

- Cases continue apace
 - Penalties higher and more jail time
 - More whistleblower awards
- Increased international cooperation
- Expanding theories of liability and additional regulation
 - VGP? Annex VI? Ballast Water?
- Jurisdictional challenges and more trials
 - Convictions and an acquittal





Avoiding This Trend

- Comprehensive Environmental Compliance Program
- Good Company Culture!
- Transparency with regulators
- Enhanced Compliance Training
- Open Reporting System
- Internal Investigations
- Audit Program



"The Department of
Justice will continue to
prosecute
shipping companies
who break the laws that
protect our oceans."



What is a Reportable Marine Casualty?

- An <u>unintended</u> grounding or allision with a bridge
- An <u>intended</u> grounding or strike of a bridge that creates a hazard to navigation, the environment, or the safety of a vessel
- Loss of main propulsion, primary steering or any associated component or control system that reduces the maneuverability of the vessel
- An occurrence materially and adversely affecting the vessel's seaworthiness or fitness for service or route, including fire, flooding, or failure of or damage to fixed fire-extinguishing systems, life-saving equipment, auxiliary power-generating equipment, or bilge-pumping systems
- Loss of life
- An injury that requires professional medical treatment (treatment beyond first aid) and, if the
 person is engaged or employed on board a vessel in commercial service, that renders the
 individual unfit to perform his or her routine duties
- An occurrence causing property damage in excess of \$25,000, including the cost of labor and material to restore the property to its condition before the occurrence, but not including the cost of salvage, cleaning, gas-freeing, drydocking, or demurrage
- An occurrence causing "significant harm to the marine environment"



So what does this mean?

- There's been a lot of confusion....
- Draft NVIC with Coast Guard interpretations published in January
- Effort to clarify existing guidance and achieve consistency across the Sectors
- Key Steps:
 - Notification
 - Evaluation
 - Action





What and When and How?

- Reports must be made immediately after addressing resultant safety concerns to the nearest Coast Guard Sector if the casualty occurred within 12 miles
- Whenever a marine casualty meets one or more of the criteria above, it must be reported to the Coast Guard on a "Report of Marine Accident, Injury or Death" (CG-2692) Form within five days





Form CG-2692

U.S. DEDARTMENT OF						_		OMB:Cantrol No. 1625-000			
U.S. DEPARTMENT OF HOMELAND SECURITY U.S. COAST GUARD CG-2692 (Rev. 06-04)		REPOR	T OF MAR INJURY O	MISLE	RCS No. G-MOA MISLEINOTIFICATION INUMBER						
		SI	ECTION I. GENERA	AL INFORM	IATION						
Name of Vessel or Facility		Official No.	3.1	Nationality	4. Ca	ll Sign	gn 5. USCG Certificate of Inspection issued at:				
Type (Towing, Freight, Fish, Drill, et	7. Length	8. Gross Tons	9. '	Year Built	10. F	10. Propulsion (Steam, diesel, gas, turbine)					
11. Hull Material (Steel, Wood)	12. Draft (Ft FWD	AFT.	13. If Vessel Classed DNV, BV, etc.)	, By Whom:	(ABS, LLOYDS		ate (of occurre				
16. Location (See Instruction No. 10A)						17. E	stimated Loss	of Damage TO:			
18. Name, Address & Telephone No. of	Operating Co.					С	ESSEL ARGO THER				
19. Name of Master or Person in Charge	,	USCG Licer	150	20. Name	of Pilot		USCG Lie	cense State License			
		☐ YES	□ NO				بالط	YES YES			
19a. Street Address (City, State, Zip C	ode)	19b. Telepho	one Number	20a. Stree	t Address (Cit	y, State, Zip Co	de)	20b. Telephone Number			
22. Conditions B. W A. Sea or River Conditions (wave height, river stage, etc.)	EASED OR INV in Block 44.) NT:	(C.T. C.T. C.T. C.T.)	ELODING, SWAMPIP CAPSIZING (with or in COUNDERING OF TOO COUNDERING OF TOO COUNDERING OF TOO COUNDERING OF TOO COUNTERNO CHEEN COUNTY C	idhout sinking, KING KING GCASUALTY NAVIGATION IPMENT FAIL E D. VISIBILE GOLD FAIR POC	N URE ITY JD	FAIL (Des	EE OR INADE EE OR INADE EE OR INADE EE (MIles EE (MIles EE (MIles EE (MIles EE E EE	44) PMENT FAILED OR combe in Block 44) PMENT FAILED OR Combe in Block 44) EMENT (Describe in Block 44) 24a Time and			
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25. 25a. POR NUMBER TOWING OFLY VESSELS ONLY TOWED	Empty Los	aded Total	TOTAL	MAXIMUM SIZE OF TOV WITH TOW- BOAT(S)	Length V	Width 25d.	(Describe in E PUSHING AH TOWING AST TOWING ALC MORE THAN	HEAD TERN			
26. Name		a. Official Num!		6b. Type	26c. Leng	th 26d.	Gross Tons	Inspection Issued at:			
		h. Draft FWD	AFT	26i. Operating	Company						
26j. Damage Amount BARGE CARGO OTHER PREVIOUS EDITION IS OBSOLETE	UDLE 1		26k. Describe Dama	ge to Barge							

Reset

"Serious Marine Incidents"

- When you have an "SMI" Chemical/Drug testing is required.
- What is an "SMI"?
 - Generally a reportable marine casualty
 - Discharge of oil >10,000 gals
 - RQ of a hazardous substance
- If you have an SMI, you must arrange proper drug/alcohol testing and complete USCG form 2692B...

U.S. DEPARTMENT OF HOMELAND SECURITY U.S. COAST GUARD CG-2692B (04-06)	REPORT OF REQUIRED CHEMICAL DRUG AND ALCOHOL TESTING FOLLOWING A SERIOUS MARINE INCIDENT (Sea Instructions on reverse)								APPROVED OMB NO. 1625-0001 Expiration Date: 08/31/2008 USCG MISLE ACTIVITY NUMBER				
		SEC	TION	I—VES	SEL INF								
1. Name of vessel						2. Official N	lumber	3. Call Sig	ın		nality		
5. Vessel Type (Freight, Towing, Fishing, MODU, etc.)						6. Length		7. Gross 1	oss Tons 8. Year Built			Built	
9. Operating Company					10. Maste	r or Person i	n Charge						
Name:					Nam	e:							
Address:					Addi	ess:							
Telephone Number:					Tele	ohone Numb	er:						
					DENT IN		TION						
11. Type of Serious Marine Incident a. Death (Append) b. Injury requiring	o Form CG-2 medical treat	(692)			e. Los 100	s of unins gross to	is (Apper	nd to Form	CG-2	692)			
(Append to Form	CG-2692)				☐ f. Disc	charge of	oil of 10,0	00 gallons	or me	ore in	to U.S	. waters	
c. Property damage (Append to Form	CG-2692)				☐ g. Discharge of a reportable quantity of hazardous substance into U.S. waters								
d. Loss of inspected vessel (Append to Form CG-2692)					☐ h. Release of a reportable quantity of hazardous substance into U.S. environment								
12. Date of Incident 13. Time	(local) of Inciden	t 1	14. Locatio	n of Incider	nt (Latitude ar	d Longitude	or River and	d Milepost)					
	SECTIO			SONNE	L / TES								
15. Personnel Directly Involved In Serious Marine Incident 15a. Name (Last, First, Middle Initial) 15b. Licensing/0					16. Drug and Alcohol Testing (See Instru 16a. Drug Test Urine Specimen provided Specimen provide within 32 hours? within 2 hours?			ohol Test n provided	st Alcohol Test			Alcohol Test	
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		5			=								
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17. SAMHSA Accredited Laborat					10 Labora	tory conduc		lashal tast/s				ting coling	
17. SAMINSA Accredited Laborat	bry Conducting	Chemi	Cai Drug	resis		lcohol test(s		ilconor test(s	s) or inc	iiviuuai	condu	aing saliva	
Name:					Name:								
Address:					Address:								
Telephone Number:					Telephone								
19. Person Making This Report (Please Print)				20. Signati	ire					21. [ate	
Name:													
Address:													
Telephone Number:					Title:								
22. Remarks (See Instruction	s on Reverse)	1											

Coast Guard Enforcement

- The vessel had experienced a failure of its main engine and had not reported the casualty for more than 10 hours.
- USCG issued this news release stating that it assessed a \$75,000 penalty against a cargo vessel for failure to immediately report a marine casualty or provide notice of a hazardous condition.

17th District Public Affairs
U.S. Coast Guard



Date: June 12, 2013
Contact: Ensign Victoria Swinghamer

Office: (907) 271-6741

News Release

Coast Guard completes marine investigation in Dutch Harbor, Alaska

ANCHORAGE, Alaska — Coast Guard investigators finished a one month investigation into the operation of the cargo vessel Bangkok Bridge in Dutch Harbor Wednesday.

Two Coast Guard investigators, one from Sector Anchorage and one from Marine Safety Detachment Dutch Harbor, assessed a \$75,000 penalty for failure to report a hazardous condition.

The investigation began after MSD Dutch Harbor personnel received a report of a distressed deep draft vessel in Unimak Pass, a highly trafficked pass for commercial vessels on the Aleutian Chain. After further review of local Automated Identification Systems, Coast Guard personnel discovered that the Bangkok Bridge was near the eastern shipping lane, with a track line showing a drift pattern for several hours.

MSD Dutch Harbor personnel made contact with the vessel's crew to determine the cause and severity of their casualty. The Bangkok Bridge crew reportedly experienced failure of the main engine – an occurrence that must be reported under federal law – and did not report the failure to the Coast Guard for more than 10 hours. Specifically, the vessel's crew did not provide the immediate notice of marine casualty or provide the notice of a hazardous condition per the Code of Federal Regulations.

"The Coast Guard is committed to ensuring the safety of our waterways, and enforcing the regulations that require mariners to report hazardous conditions and marine casualties is part of that mission," said Capt. Paul Mehler III, captain of the port, Western Alaska. "With the remote location of the vessel and the limited response assets for a vessel of this size, the late report of this magnitude could have resulted in a much worse scenario."

Upon successful repairs to the vessel's main engine in Dutch Harbor, the crew was cleared to continue their voyage.

The Bangkok Bridge is an 874-foot, Panamanian-flagged cargo vessel.

For more information, contact Lt. William Albright at 907-271-6763.

Notification of Hazardous Condition

"Any condition that may adversely affect the safety of any vessel, bridge, structure, or shore area or the environmental quality of any port, harbor, or navigable waterway of the United States. It may, but need not, involve collision, allision, fire, explosion, grounding, leaking, damage, injury or illness of a person aboard, or manning-shortage."

"Whenever there is a hazardous condition either aboard a vessel or caused by a vessel or its operation, the owner, agent, master, operator, or person in charge shall immediately notify the nearest Coast Guard Sector Office or Group Office." The initial report should be made either by VHF radio or by telephone.

