



THE STEAMSHIP MUTUAL
UNDERWRITING ASSOCIATION (BERMUDA) LIMITED

MANAGERS: STEAMSHIP MUTUAL MANAGEMENT (BERMUDA) LIMITED
WASHINGTON MALL 1 PO BOX HM 447 HAMILTON HM BX BERMUDA
TELEPHONE: (441) 295-4502 TELEX: 3411
TELEFAX: (441) 292-8787

June, 2003

To the Members

Dear Sirs,

AMENDMENTS TO SOLAS – MARITIME SECURITY AND THE ISPS CODE

The most significant features of the amendments are summarised below. However, the information outlined in this circular is not exhaustive, and Members are therefore advised to consult the text of the relevant documents in order to obtain a comprehensive understanding of the new requirements.

SOLAS Amendments

Following a year of preparatory work by IMO's Maritime Safety Committee, a Diplomatic Conference took place at IMO in December 2002 at which a number of amendments to the 1974 Safety of Life at Sea Convention (SOLAS) were adopted. The existing SOLAS Chapter XI (Special measures to enhance *maritime safety*) was re-numbered Chapter XI-1, and a completely new Chapter XI-2 (Special measures to enhance *maritime security*) was adopted – (our emphasis). This new chapter enshrines the **International Ship and Port Facilities Security Code (ISPS Code)**, and applies to passenger ships and cargo ships of 500 GT and upwards engaged on international voyages, and includes high-speed craft, mobile offshore drilling units, and port facilities serving such ships. The amendments shall be deemed to have been accepted on 1 January 2004 (unless prior to that date the required level of objection has been received from Contracting Governments to the Convention) and will come into force on 1 July 2004. The level of objection required to prevent implementation is either one third of the Contracting Governments to the Convention, or Contracting Governments with a combined merchant fleet of not less than 50% of the GT of the world's merchant fleet.

SOLAS Chapter V (Safety of Navigation) was also amended to provide a new timetable for the fitting of **Automatic Identification Systems (AIS)**. Ships of between 300 GT and 50,000 GT, other than passenger ships and tankers, will be required to fit AIS not later than the first safety equipment survey after 1 July 2004 or by 31 December 2004, whichever is the earlier. This accelerates the previous compliance dates. For the smallest vessels, the timetable has been brought forward by 3 years.

The regulations of what has now become SOLAS Chapter XI-1 have also been modified to require **ships' identification numbers** to be permanently marked in a visible place on either the ship's hull or superstructure. The markings on passenger ships should be on a horizontal surface visible from the air. All ships must also be marked with their numbers internally. The compliance date for existing ships will be no later than the first scheduled dry-docking after 1 July 2004.

In addition, from 1 July 2004, vessels are to be issued with a **Continuous Synopsis Record (CSR)** to provide an onboard record of the vessel's history. The CSR must be issued by the vessel's flag Administration. The information in the CSR will include the vessel's name, the flag state, the date of registry with that state, the port of registry, the vessel's identification number and the name and address of the registered owner. Any changes in this information are to be recorded in the CSR in order to ensure that an up to date record and a history of the changes is maintained onboard the vessel.

B390

The ISPS Code

The Code contains detailed security related requirements for governments, port authorities and shipping companies. The Code is in two parts. Part A is mandatory and contains details of what is required of ships, companies, port facilities, flag administrations and governments in order to comply with the Code. Part B is advisory and contains guidelines on what is required to comply with Part A.

The Company and the Ship

Shipping companies will be required to designate a **Company Security Officer (CSO)** for the Company, and a **Ship Security Officer (SSO)** for each of their ships.

The responsibilities of the CSO include ensuring that a Ship Security Assessment is undertaken in a proper manner, that **Ship Security Plans** are prepared and submitted for approval by the flag Administration, (or by an approved organisation acting on its behalf), and that once approved, the plan is placed on board each ship. The CSO will also be responsible for providing information to ships concerning the level of threats likely to be encountered, arranging internal audits and reviews of security activities, and enhancing security awareness and vigilance.

The responsibilities of the SSO include supervising the implementation of the security plan in liaison with the CSO and the relevant Port Facility Security Officer, ensuring that crewmembers have received adequate training, undertaking regular security inspections of the ship and reporting security incidents, coordinating the security issues associated with the handling of cargo and ship's stores, and enhancing security awareness and vigilance onboard.

IMO has been asked to develop appropriate training guidance.

The Code envisages **security levels 1, 2, and 3**, corresponding to normal, medium and high threat situations respectively. The required level of operational security for the ship is set by the vessel's flag Administration. Prior to entering, and whilst in a port of a Contracting Government, the ship must comply with the security level set by that Government. The Ship Security Plan should indicate the operational and physical security measures that should be taken by those on board to ensure that it always operates at security level 1. The plan should also indicate the additional security measures that should be taken to operate at level 2 when the ship is instructed to do so. In addition, the plan should identify the possible preparatory actions that could be taken to enable a prompt response to be made to any instructions that may be issued to operate at security level 3.

Ships will need to carry an **International Ship Security Certificate** indicating that they comply with the requirements of SOLAS Chapter XI-2 and (the mandatory) part A of the ISPS Code. Chapter XI-2 does not provide for any extension of the implementation date for the introduction of the special measures to enhance maritime security. IMO has therefore urged Contracting Governments to give high priority to the action needed to finalise the necessary legislative and administrative arrangements, and to designate dates by which requests for certification should be submitted. This is in order to ensure that there is sufficient time to complete the certification process, and for applicants to rectify any non-compliance before 1 July 2004. It is contemplated that certificates will be valid for 5 years with an intermediate verification mid-way through that period, although the period of validity will be set by the flag state.

There is provision in Regulation 11 of Chapter XI-2 for Contracting Governments to enter into bilateral or multilateral agreements on alternative security arrangements in relation to ferry and other regular services. Any such agreements must be subject to regular review and vessels covered by them are not permitted to undertake ship to ship operations with others that are outside the agreement. Such agreements must also not compromise the security of other vessels and port facilities that are not covered by them.

When a vessel is at, or proceeding to a port of a Contracting Government, that Government has the right to exercise various **control and compliance measures**. Such measures would include requests for information regarding the vessel, its cargo, passengers and ship's personnel prior to entering port. There may be circumstances in which port entry could be denied. Port State Control inspections will include checking security compliance under SOLAS, and the ISPS Code. Initially this will be limited to verifying the ship's certification, but if clear grounds are deemed to exist, a more detailed inspection could follow, but only with the consent of either the flag State or the ship's Master. Certain provisions of the ship's security plan are considered to be confidential and cannot therefore be subject to inspection unless the flag State agrees.

Ships will have to be provided with a **ship security alert system**. This will provide a means by which a security alert can be transmitted to a designated authority ashore to indicate that security has been compromised, without raising any alarm onboard the ship itself. The security alert will identify the ship and its location, and the system must be capable of being activated from the bridge and at least one other location. The timetable for the installation of these systems will result in most vessels being fitted with them by 2004, and the remainder by 2006. Performance standards for this equipment are to be developed by IMO.

Regulation 8 of Chapter XI-2 emphasises the **overriding authority of the Master** on issues of shipboard security. The Code requires that the Ship Security Plan makes clear to the Master that he is not to be constrained from taking any decision which, in the exercise of his professional judgement, is considered necessary to maintain the safety and security of the ship. Thus, the Master retains authority to deny access to persons (other than those duly authorised by a Contracting Government) or their effects, and to refuse to load cargo including containers and closed transport units.

Security drills and exercises on ship security are an essential part of the process of obtaining a Ship Security Certificate and complying with the Ship Security Plan. The objective is to make sure that crews are proficient in the duties that have been assigned to them, and to identify any security related deficiencies that may need to be addressed. Drills should be undertaken at least every three months. When there has been a change of crew involving more than 25% of the ship's complement, and the replacement personnel have not taken part in a security drill on that ship within the last three months, a drill should be undertaken within one week of the crew change.

Finally, the Company is responsible for the provision of resources to the SSO, CSO, and Master to ensure that they are able to fulfil their duties in relation to security.

The Port Facility

Contracting Governments are required to ensure that each port facility within their territory that serves ships engaged on international voyage undergoes a **Port Facility Security Assessment**. This assessment will help to determine which port facilities are required to appoint a **Port Facility Security Officer**, and prepare a **Port Facility Security Plan**. As with the security plans for ships, the Port Facility Security Plan must identify the physical and operational security measures that must be taken to ensure that the port facility always operates at security level 1, and the additional measures necessary to operate at security levels 2 and 3 if and when required to do so. The security level at a port facility will be set by the Contracting Government.

The Code advocates caution in relation to the use of firearms on or near ships and in port facilities, since their use may pose particular safety risks, especially if dangerous or hazardous cargoes are in the vicinity. If a Contracting Government should decide that the use of armed personnel is necessary, it has an obligation to ensure that they are duly authorised and trained, and aware of the specific safety risks, and also that guidelines on the use of firearms are issued.

Contracting Governments

In relation to ships, Contracting Governments are responsible for setting the appropriate security level, approving Ship Security Plans, verifying the compliance of ships with the ISPS Code and issuing International Ship Security Certificates. For port facilities, the Contracting Governments must determine which port facilities in their territory need to designate a Port Facility Security Officer, ensure completion and approval of the Port Facility Security Assessment and the Port Facility Security Plan. Contracting Governments can designate Authorities within Government to undertake their security duties, and allow Recognised Security Organisations to undertake certain work with regard to port facilities.

Compliance

These new requirements are due to come into effect next year and it is unlikely that there will be any extension of the implementation date. Although this circular contains only a brief summary of the main provisions, Members may find that a considerable amount of work is required to achieve compliance. The lead time available is comparatively short, and the closer the implementation date comes, the greater will be the risk of delay associated with obtaining the approval of Ship Security Plans that will be the essential pre-requisite for gaining the necessary security certificates. Therefore, if Members have not already started work on complying with the ISPS Code, they are urged to do so without delay.

Members who might require further information concerning the ISPS Code or information and guidance on carrying out Ship Security Assessments, or preparing Ship Security Plans, should contact the Loss Prevention Department of the Managers' London representatives.

Yours faithfully,

THE STEAMSHIP MUTUAL UNDERWRITING
ASSOCIATION (BERMUDA) LIMITED

