DEPARTMENT OF HOMELAND SECURITY

UNITED STATES COAST GUARD

OFFICE OF PORT AND FACILITY COMPLIANCE

2017 ANNUAL REPORT

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CG-FAC Policy Review

Throughout this document, various policies, instructions, and strategies are referenced. For a comprehensive list and electronic access to these documents, please see the CG-FAC links at the back. Please note: some of these items may require Coast Guard access to the CG-only web Portal.

On the Front Cover
Port of Houston Ship Channel

EXECUTIVE SUMMARY

The mission of the Office of Port and Facility Compliance (CG-FAC) is to provide Safety, Security, and Environmental Stewardship for the Nation's Ports and Facilities. CG-FAC strives to provide clear regulations, policy, and direction to Coast Guard Operational Commanders and other stakeholders to ensure our port communities are a safe, secure place to do business, live, and work.

The 2017 hurricane season was one of the busiest and most destructive on record with three major storms impacting ports in Alabama, Florida, Louisiana, Texas, Puerto Rico and the U.S. Virgin Islands. Damage estimates for Hurricanes Harvey, Irma, and Maria totaled in the billions of dollars. The excellent communication between all levels of command and the outstanding work by local Marine Transportation System Recovery Units (MTSRUs) ensured senior leaders inside and outside of the Coast Guard were well informed of the status of vital ports and directly attributed to the development of viable alternatives to facilitate the flow of relief efforts into ravaged areas. Ultimately, these efforts facilitated the safe resumption of commercial activity on critical waterways.

CG-FAC continues to be in the forefront of developing guidance to address a myriad of new technologies and risks in the maritime community. Dependence on cyber systems and the need to ensure their safety and security was a strategic priority of FAC's work this past year. A draft cyber Navigation and Vessel Inspection Circular (NVIC) was released for public comment. Releasing this draft NVIC for public comment highlights our commitment to open dialogue with the maritime industry to ensure future collective buy-in on managing cyber risks. CG-FAC also continued our collaborative work with National Institute of Standards and Technology (NIST) to finalize Cybersecurity Framework Profiles for Offshore and Passenger Vessel Operations.

Most importantly, CG-FAC is extremely proud to support the Coast Guard men and women who, in 2017, completed over 5,900 security compliance inspections required by the SAFE Port Act of 2006[1], over 58,000 visual and electronic inspections of Transportation Worker Identification Credentials[2], and more than 23,000 container inspections[3]. Maintaining a strong operational presence on the waterfront is key to safe, secure ports. In addition, Port Security Specialists oversaw the coordination of 81 events that tested the effectiveness of their respective port-level Area Maritime Security (AMS) plans and supported maritime security preparedness regimes through the engagement of federal, state, local, tribal, and territorial government and private sector stakeholders. We are equally grateful to the many facility operators, port workers, mariners, and other agency personnel whose patriotism and hard work are equally vital to our success.

Captain Ryan D. Manning, USCG

1 As per the MISLE Facility Activities Coast Guard Business Intelligence System.
2 As per the MISLE TWIC Workers Coast Guard Business Intelligence System.
3 As per the MISLE Container inspections Coast Guard Business Intelligence System.

Highlights of 2017

MARINE TRANSPORTATION SYSTEM RECOVERY

CG-FAC participated as a member of the Federal Emergency Management Agency's (FEMA) National Response Coordination Center (NRCC) by standing watches in support of Emergency Support Function One (ESF-1; Transportation) during the 2017 hurricane season. In this capacity, CG-FAC coordinated efforts with Atlantic Area Command, District Seven and District Eight Commands, as well as many local MTSRUs via the Coast Guard's Common Assessment and Reporting Tool (CART) to produce up to date, daily snapshots of storm impacts to various States and Territories. This timely and accurate information proved critical to senior level decisions makers and directly attributed to the development of best courses of action to effectively facilitate the flow of relief efforts and ultimately resumption of port activities. Members of the watch personally briefed the Acting Secretary of the Department of Homeland Security providing a clear optic of the challenges faced and the mitigations measures established to ensure the safety and security of our nation's critical Marine Transportation System (MTS). The ESF-1 watch, combined with the exceptional work by field units to ensure CART was accurately populated, proved to be extremely beneficial to FEMA and senior leadership. Additionally, lessons learned from Hurricane Maria showed the importance of communicating with the FEMA Regional Response Coordination Centers and their ESF-1 representatives.

CG-FAC-1 worked with CG-6 and CG-REG to approve two new MTSRU forms championed by District One and Sector New York. The new forms are designed to allow MTSRUs to acquire additional, needed information from facilities prior to and following an event that impacts the Marine Transportation System (MTS). Both forms are in processing at the Office of Management and Budget for final approval.

CG-FAC-1 is in the final stages of review of an updated and expanded MTS Recovery Plan NVIC. The updated NVIC will address recovery from all incidents affecting the MTS. We anticipate the release of the NVIC before the end of 2018.

COMMON ASSESSMENT AND REPORTING TOOL (CART)

CG-FAC-1 continued to manage, monitor, and update CART to support field personnel with port recovery and status reporting. There were several emergency updates made to CART during the hurricane season that allowed capturing of needed data and information. Lessons learned following the hurricane season revealed additional updates are needed to make CART more user friendly. CG-FAC is working with CG-6, CG-7, and the Operations Systems Center to make these updates possible.

Highlights of 2017

FAC NOTES

In September of 2017, CG-FAC celebrated one year of publishing FAC Notes, an informal publication aimed at improving the flow of communication between the program office and field units. FAC Notes are posted monthly to outline policy updates, best practices, program announcements, and other pertinent information. All FAC Notes, starting from September 2016 to the present, can be found on the CG-FAC-2 Portal Page. Suggestions and contributions are always welcome!

OFFICE OF CYBERSPACE FORCES (CG-791)

CG-FAC provided near full-time programmatic support to the CG-791 Implementation Team (Office of Cyberspace Forces). This program office was created as a result of the one year effort of the Cyber-CIO-C4IT Governance and Transformation Task Force Blueprint and achieved initial operating capability in 2017. The goal of this program office is to realign C4IT, CG-6, TISCOM, and CG-791 to better address the CG Cyber Strategy and to weave the Cyber Workforce initiatives into the CG Human Capital Plan. CG-FAC will continue collaboration and involvement with CG-791.

PORT SECURITY SPECIALIST (PSS) PROGRAM

On December 8, 2017 the Port Security Specialist (PSS), Tactics, Techniques, and Procedures (TTP) was signed. The TTP was developed to provide PSSs with a standardized policy on how to assess risk, identify mitigation opportunities, and develop, train, and exercise AMS plans. This TTP is the first of its kind within the PSS workforce and was created to improve PSSs level of performance by providing clear and consistent guidance.

Highlights of 2017

ARCTIC, CARIBBEAN, AND OTHER CG-FAC WORK ON PREVENTION OF POLLUTION OF THE MARINE ENVIRONMENT

CG-FAC-2 staff has been working with the NOAA-led U.S. Delegation to the Arctic Council Work Group on Protection of the Arctic Marine Environment (PAME). The work group is assessing increases in shipping traffic in the Arctic due to climate change and marine transportation infrastructure at Arctic and near Arctic ports including port reception facilities required by The International Convention for the Prevention of Pollution from Ships (MARPOL), 1973. Additionally, proposals for regional waste management for MARPOL wastes from ships at regional reception facilities and pollution prevention from discharges from ships in Arctic waters were submitted to Marine Environment Protection Committee (MEPC) 72 (April 9-13, 2018) through Arctic Council country International Maritime Organization (IMO) Delegation with the work coordinated by CG-FAC-2 staff and international partners.

CG-FAC-2 has been working with U.S. trading partners in the Wider Caribbean Region as part of the United Nations Environmental Program/IMO initiatives to provide technical assistance, education, and outreach on MARPOL compliance and regional approaches to ship's waste management. In April 2017, CG-FAC-2 staff took part in a conference in Mexico City hosted by the North American Free Trade Agreement, Commission on Environmental Cooperation, (NAFTA-CEC), and included delegations from the U.S., Mexico, and Canada. The conference focused on implementation of MARPOL Annex VI and bilateral cooperation between U.S. and Mexico on pollution prevention and MARPOL compliance in the Gulf of Mexico and Pacific coastal waters.

CG-FAC-2 represents the American National Standards Institute at the International Organization for Standardization (ISO), based in Geneva, in efforts to develop international standards for operation of ships and for the protection of the marine environment. Two existing ISO standards for the management of ships waste have been recently revised, due to changes in MARPOL, and are in the final stages of publication. In June 2017, at the ISO/Technical Committee (TC) 8/Sub-Committee (SC) 2 Annual Plenary meeting in Devon, United Kingdom, a revised standard on shipboard incinerator specifications was reviewed and submitted for balloting, and a new work item proposal for ship’s waste management in the Arctic was accepted by resolution.

Highlights of 2017

LIQUEFIED NATURAL GAS (LNG) FACILITY SUPPORT

CG-FAC continues to work extensively with other Coast Guard entities and federal agencies in support of policy development and enhancement as the LNG industry in the United States grows and matures. Participating in the Interagency LNG Workgroup and LNG Roundtable, CG-FAC was able to address unique facility proposals and support field units in evaluation of novel facility design and operational proposals.

REPORTING OF INADEQUATE PORT RECEPTION FACILITIES

The U.S., as a party to MARPOL, is obligated to ensure the provision of Port Reception Facilities (PRF) at Ports and Terminals servicing ships on international voyages. Additionally, the U.S. is obligated to report to IMO where PRF are inadequate to meet the needs of ships using U.S. ports and terminals. Ships may voluntarily report inadequacies, through their own Flag State Authority to the IMO and should inform the Port State. Voluntary reporting will assist Port States in addressing inadequacies and meeting their reporting obligations to IMO.

CG-FAC-2 published Change 1 to Navigation and Vessel Inspection Circular (NVIC) 4-87 titled Reporting of Inadequate Port Reception Facilities (PRF). This NVIC updates guidance for U.S. vessel owners and operators for voluntary reporting of inadequate PRF in countries that are party to Annexes I, II, V, and VI of MARPOL. It also provides guidance for U.S. and foreign vessel owners and operators for reporting inadequate PRF at U.S. ports and terminals. Finally, this NVIC clarifies how reports of inadequate PRF are handled by the U.S. as a Port and Flag state, taking into consideration international regulations and obligations as a party to MARPOL, recent amendments to MARPOL Annexes, and recommended guidance published by IMO.

PIPELINE AND HOSE TESTING GUIDANCE FOR MARINE TRANSPORTATION RELATED FACILITIES HANDLING OIL OR HAZARDOUS MATERIAL IN BULK

Noting longstanding concerns from Coast Guard field inspectors related to pipeline and hose tests on bulk liquid oil and hazardous material facilities, CG-FAC created NVIC 06-17 to replace a dated policy letter from 1994. The NVIC provides expanded marine transportation related facility pipeline and hose testing guidance, consistent with existing regulations, current testing technologies and equipment, and best practice, industry standards for in service test and inspection regimes. Promulgation of this updated guidance enhances Coast Guard efforts to protect the marine environment from pollution and ensures compliance. The updated guidance to the original policy includes information and recommendations to the Captain of the Port (COTP) to consider when determining acceptability of proposed alternative test methods for pipe and hose tests and inspections.

Highlights of 2017

MARINE INFORMATION FOR SAFETY AND LAW ENFORCEMENT (MISLE) ENHANCEMENTS

In order to document facility safety inspections in line with security inspections, CG-FAC led the charge for MISLE enhancements in 2017. These enhancements included adding check boxes to indicate what subchapters facilities are inspected under, similar to the option to select 33 CFR 105 that has existed in MISLE for years for security inspections. This enhancement, along with upcoming enhancements to CGBI, will allow facility inspection shops to better manage their inspection workload and provide the chain of command more awareness, reducing data calls to field units.

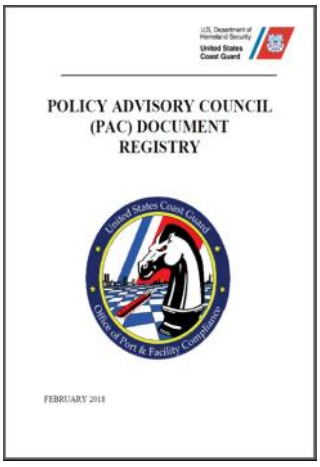
CG PORTAL UPDATES

Numerous updates to CG-FAC-2's CG Portal Page were accomplished in the last year. Most notably, resources, such as policy letters and manuals, were loaded on this page for each facility inspection subtype. Additionally, Notice of Proposed Rulemakings and Final Rules were added to give field units better access to information in order to conduct regulatory history reviews. While there has been a noted decrease in the inquiries CG-FAC-2 receives that previously required simple reviews of regulatory history, we remain committed to providing exceptional support to field units, with simple or complex issues, where the answer is not readily available.

POLICY ADVISORY COUNCIL (PAC) DOCUMENT REGISTRY

Policy Advisory Council (PAC) Document Registry is a collection of PAC decision documents that provide subject matter expertise for the interpretation of certain regulations covered under the Maritime Transportation Security Act (MTSA) of 2002. PAC documents are a valuable tool for explaining maritime security regulations and aiding Coast Guard field units and the maritime industry.

PAC documents were originally published beginning in 2003 and the last one was published in March of 2011. Revisions and cancellations of PAC documents over the years may have caused confusion from time to time. Previously, PAC documents that had been revised or rescinded were not always effectively communicated to the field or maritime industry. Additionally, several PAC documents incorrectly stated procedures for the approval process for waiver requests and some required clarification and minor updates.



In order to correct these issues, CG-FAC-2 completed a comprehensive 2017 review of all PAC documents. All active PAC documents were compiled into a single Adobe document that is indexed and keyword searchable. PACs no longer required were rescinded and those incorporated into other policy documents were

noted in the registry. The new registry was published on February 6, 2018, replacing the individual PAC files previously posted on Homeport. The registry will be reviewed by CG-FAC-2 on an annual basis, updates/changes will be tracked and will be noted in the registry, and communicated to port stakeholders through Homeport. For more details regarding the new PAC Document Registry, please view the registry by accessing the following website: https://Homeport.uscg.mil (Select the "Missions" tab, navigate into "Maritime Security," then "Maritime Transportation Security Act," then "FAQs" link). Questions or comments with respect to the registry can be e-mailed to: CGFAC@uscg.mil.

NATIONAL MARITIME SECURITY ADVISORY COMMITTEE

National Maritime Security Advisory Committee (NMSAC): In 2017, NMSAC provided recommendations on the Coast Guard's Guidelines for Addressing Cyber Risks at Maritime Transportation Security Act (MTSA) Regulated Facilities. NMSAC continued its efforts with the Chemical Transportation Advisory Committee to provide recommendations to the Coast Guard on the development of security measures aimed at preventing incidents involving the use of hazardous cargoes as weapons in the maritime environment. Finally, NMSAC members assisted the Coast Guard in making recommendations in its regulatory reform effort, as outlined in Executive Orders 13771 and 13783.

HOMEPORT INTERNET PORTAL 2.0

The United States Coast Guard (USCG) Homeport Internet Portal (HIP) was established in 2005 to facilitate compliance with the requirements set forth in the MTSA, by providing secure information dissemination, advanced collaboration, electronic submission and approval for vessel and facility security plans, and complex electronic and telecommunication notification capabilities.

In 2017, The Coast Guard retired the legacy Homeport system and implemented Homeport 2.0. The new system's upgrades included fewer site navigation menus and more efficient and secure search functions.

Cyber Risk Management

CYBERSECURITY AND MTSA FACILITIES

Since the signing of the USCG Cyber Strategy, CG-FAC remains the lead office for implementing the "Protect Infrastructure" portion of the strategy. CG-FAC reached a milestone with the creation of a draft Cyber Navigation Vessel Inspection Circular (NVIC) that was released via the Federal Register in July of 2017. The comment period for the draft NVIC closed in October 2017 and CG-FAC received over 250 comments from the public. CG-FAC also engaged the NMSAC to assist in the review of the draft Cyber NVIC as a means to gather as much feedback as possible. All comments are being reviewed and will assist with shaping the final Cyber NVIC. The intent of the Cyber NVIC is to call industry's attention to MTSA regulations that require "radio and telecommunication systems, including computer systems and networks" be addressed in the Facility Security Assessment.

CYBERSECURITY FRAMEWORK PROFILES

CG-FAC continued our work with the National Institute of Standards and Technology (NIST), key maritime industry stakeholders, and trade associations to develop two additional voluntary Cybersecurity Framework Profiles (CFPs) for the passenger vessel and offshore operations communities. These new CFPs assist in cybersecurity risk assessments for USCG regulated entities and follows the successful release of the Maritime Bulk Liquid Transfer Facility CFP in late 2016.

CFPs are voluntary guidance for organizations designed to assist in assessing cyber risks and offer guidance on how to allocate limited resources in order to improve cyber resiliency. Use of CFPs by industry can assist in answering questions and help with mitigating cyber concerns.

NIST
National Institute of Standards and Technology
U.S. Department of Commerce

CG-FAC plans to establish an additional CFP to address automated operations on terminals and vessels. CFPs can be found at https://www.dco.uscg.mil/Our-Organization/Assistant-Commandant-for-Prevention-Policy-CG-5P/Inspections-Compliance-CG-5PC-/Office-of-Port-Facility-Compliance/Domestic-Ports-Division/cybersecurity/

2017 Compliance Statistics

In 2018, CG-FAC personnel will focus on reporting transparency, the significance of reported data, and quality control for reported data.

The two official data collection and reporting data tools used by the Coast Guard are the Marine Information for Safety and Law Enforcement (MISLE) system and the Coast Guard's enterprise data decision support tool known as Coast Guard Business Intelligence (CGBI). There are more than 300 business intelligence products that can provide Coast Guard mission performance efforts for all eleven statutory missions (below). The names of the research titles or "CUBEs" which were used are identified within the description of what is being reported.

Military, Maritime, Multi-Mission		
Safety *Saving Lives & Protecting Property*	**Security** *Establishing & Maintaining a Secure Maritime System while Facilitating its Use for National Good*	**Stewardship** *Managing the Sustainable & Effective Use of its Inland, Coastal and Ocean Waters & Resources for the Future*
● Search & Rescue ● Marine Safety	● Ports, Waterways & Coastal Security ● Illegal Drug Interdiction ● Undocumented Migrant Interdiction ● Defense Readiness ● Other Law Enforcement	● Marine Environmental Protection ● Living Marine Resources ● Aids to Navigation ● Ice Operations

As a component of the Department of Homeland Security, the Coast Guard is required to track and report enforcement efforts of MTSA. In 2006, the SAFE Port Act clarified the Coast Guard's inspection responsibilities which require the inspection of MTSA-regulated facilities twice annually, one being unannounced. Besides supplying data for required performance measures, CG-FAC also answers many inquiries throughout the year to a wide variety of customers ranging from the U.S. Congress to requests under The Freedom of Information Act. Previously reported data can become outdated as requests mount and daily progress on annual goals continue to develop. In an effort to reduce the miscommunication regarding when data was reported and what it represents, CG-FAC has implemented the following measures:

1. Reporting transparency: CG-FAC provides the resource systems used (e.g. MISLE, CUBE, etc.) to extract the data including the date the data was "pulled." For annual reports, Standard Operation Procedures (SOP) will be developed on the filtering processes of the resource systems.
2. Significance of reported data: CG-FAC provides a detailed explanation and when the data was extracted from the resource system as well as a detailed description of what the data represents.
3. Quality control of any published data: CG-FAC has established a Quality Control Review (QCR) Team consisting of data analysts, program managers, and subject matter experts. The QCR Team will review and answer any outstanding questions concerning the data and if need be, contact field personnel for additional clarification if inaccuracies were discovered. Only after the QCR Team has agreed on the explanation and accuracy of the data, then the data will be submitted for publication.

2017 Facility Inspection Program Statistics

Below are inspection results for calendar year 2017. Of the inspections completed, 99% resulted in no enforcement actions. There were 190 enforcement actions recorded at 114 MTSA-regulated facilities in 2017. This data was extracted from the MTSA Facility Security Exam Status (History) Report tool.

The name of the CGBI "CUBE" which was used to compile the data below is identified to the left of the description of the number reported. All statistical data was extracted from multiple CUBEs in early January 2018. All descriptions mirror the CUBE filters that were used.

MISLE Facility History CUBE	**Total MTSA regulated facilities:**	**3,494**
	Total MTSA regulated facilities that require an active FSP*:	**2,470**
MISLE Facility Activities CUBE**	**Total security related inspections as per the SAFE Port enforcement requirements conducted during a facility inspection:**	**5,951**
	Total transfer monitors activities conducted:	**724**
MISLE Facility Op Controls CUBE**	**Total operational controls (COTP Orders):**	**36**
	Security COTP Orders:	***5***
	FSP/ASP Approval suspended or revoked:	***1***
	FSP/ASP Not approved:	***2***
	FSP/ASP Not in compliance:	***2***
	Safety/Environmental protection COTP Orders:	***1***
	Identified Hazardous/Unsafe condition:	***18***
	Identified Hazardous/Unsafe Operations:	***4***
	Incident response:	***3***
MISLE Container Inspection CUBE**	**Total number of container inspections conducted:**	**23,445**

* The filter "Part of another FSP" is included in the final count.
** The data was pulled from the identified CUBEs in January 2018.

2017 MTSA Security Compliance by District

District	FSPs*	Security Inspections (SAFE Port)	Security Related Deficiencies** at MTSA Facilities
1st	299	720	142
5th	173	437	176
7th	299	859	425
8th	914	2,091	494
9th	307	815	244
11th	144	358	68
13th	146	322	107
14th	76	163	73
17th	112	208	33
Total	**2,470**	**5,951**	**1,762**
	MISLE Facility Population CUBE*	**MISLE Facility Activities CUBE***	**MISLE Facility Activities Deficiencies CUBE***

* Number of facilities within each district required to maintain USCG-approved Facility Security Plans.
** Deficiencies are not considered Enforcement Actions, but very minor infractions that have been identified. If the deficiency is not corrected within a reasonable time, the result may lead to an enforcement action.
*** The data was pulled from the identified CUBEs in January 2018.

2017 MTSA Facility Enforcement Actions

In 2017, the Coast Guard completed 5,951 security-related MTSA annual and spot check examinations and recorded 190 enforcement offenses against MTSA-regulated facility owners or operators for noncompliance with MTSA regulations. The 190 enforcement offenses executed in 2017 took place at 114 MTSA-regulated facilities and included letters of warning or administrative civil penalties.

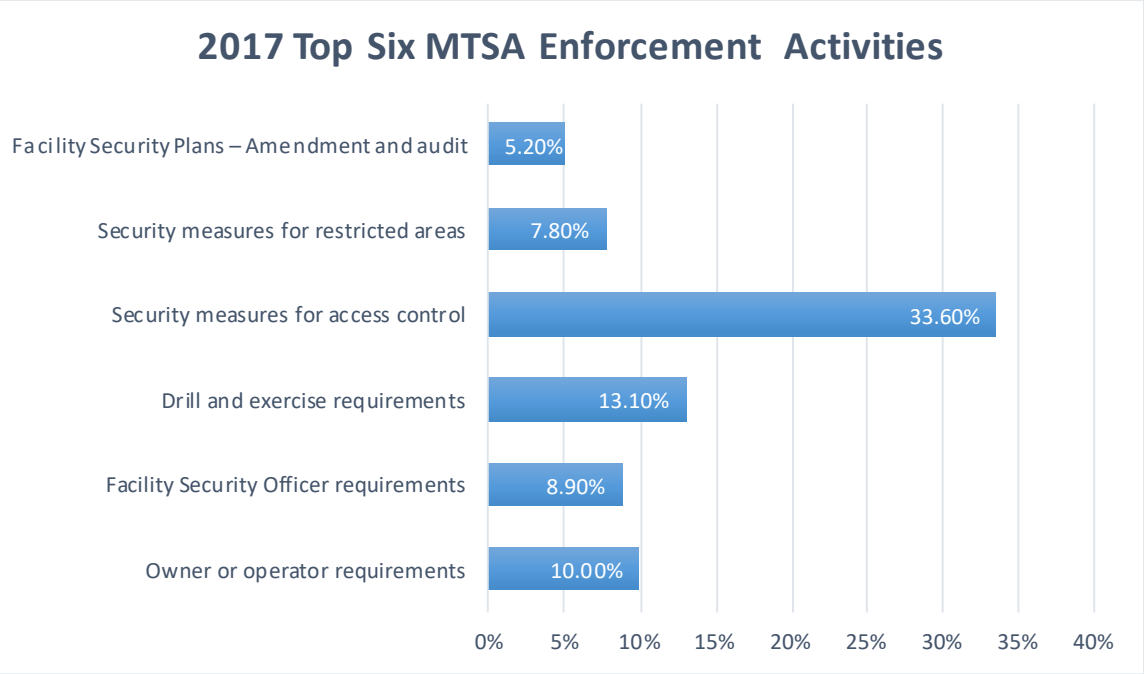
Citation	Citation Title	Enforcement Activities Executed
33 CFR 101.305	Reporting, Breach of Security	5
33 CFR 105.125	Noncompliance	3
33 CFR 105.140	Alternative Security Program	4
33 CFR 105.145	Maritime Security (MARSEC) Directive	1
33 CFR 105.200	Owner or operator requirements	19
33 CFR 105.205	Facility Security Officer requirements	17
33 CFR 105.210	Facility personnel with security duties	6
33 CFR 105.220	Drill and exercise requirements	25
33 CFR 105.225	Facility recordkeeping requirements	8
33 CFR 105.250	Security Systems and Equipment Maintenance	1
33 CFR 105.255	Security measures for access control	64
33 CFR 105.260	Security measures for restricted areas	15
33 CFR 105.275	Security measures for monitoring	1
33 CFR 105.280	Security Incident Procedures	1
33 CFR 105.290	Additional cruise ship terminal requirements	5
33 CFR 105.305	Requirements for facility security assessments	0
33 CFR 105.400	Facility Security Plans	3
33 CFR 105.410	Facility Security Plans – Submission and approval	2
33 CFR 105.415	Facility Security Plans – Amendment and audit	10
Total		**190**

MISLE Enforcement Offenses CUBE*

* The data was pulled from the identified CUBEs in January, 2018.

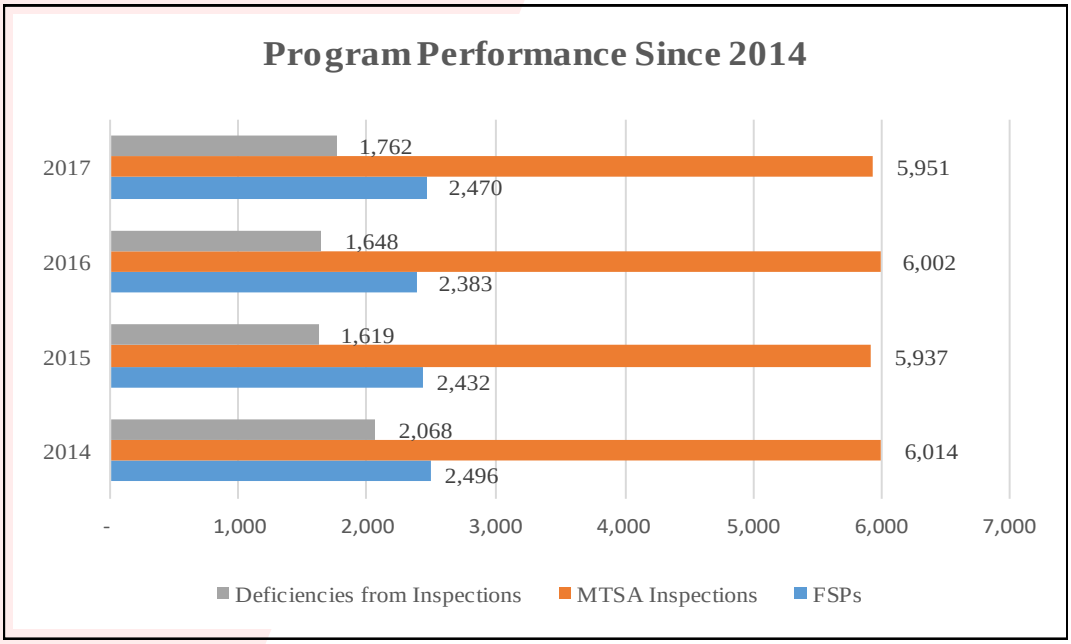
2017 MTSA Facility Enforcement Actions

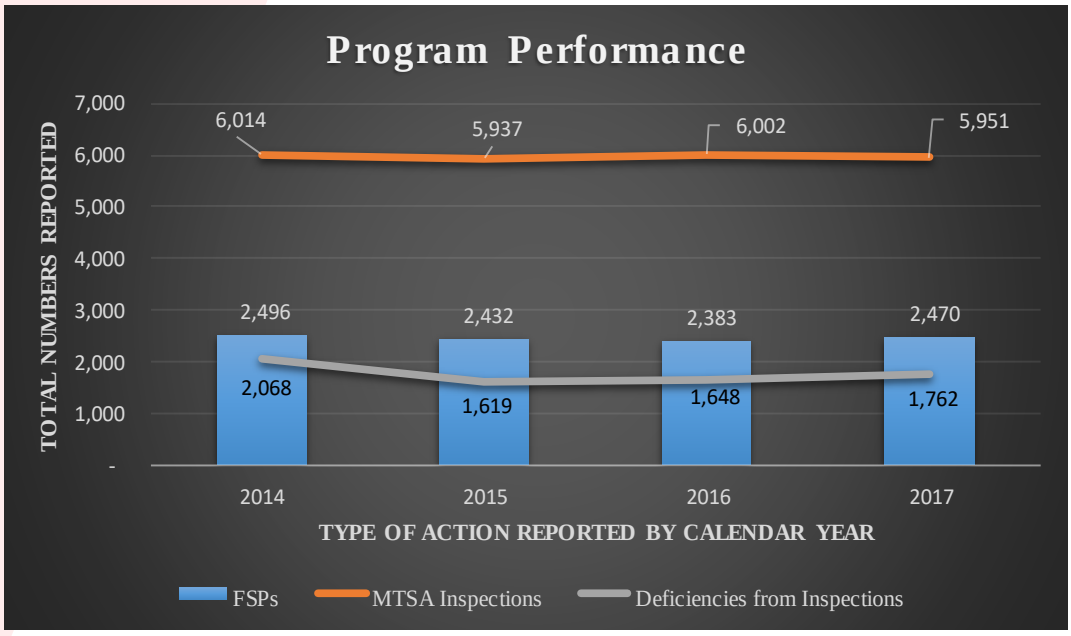
Just over 46% of Coast Guard enforcement actions at regulated facilities in 2017 were for security measures for access control (33CFR105.255) and drill and exercise requirements (105.220) violations. As the new rulemakings develop into regulatory requirements, it will be increasingly important that facility inspectors work with Area Maritime Security Committees and individual facilities to ensure they are ready to meet all upcoming regulatory mandates. At the same time, Captains of the Port are reminded that facility regulations are intended to be functional requirements. If facilities can meet the intended function of the regulation through an equivalency, we encourage Captains of the Port to work with the facilities and CG -FAC through the equivalency request and approval process outlined under 33CFR101.130.



MTSA Program Review

Since 2014, the Office of Port and Facility Compliance has been publishing an annual report. Below is a collection of data from those reports, which shows the MTSA program has become fairly established. Considering the program is security related, this trend of consistency is a positive factor, and radical changes in any of the three measurements could identify misunderstanding between the Coast Guard and industry partners on the intent of MTSA. The Coast Guard is committed to effectively balance our roles as regulators and partners.





* Data pulled from past Office of Port and Facility Compliance Annual Reports.

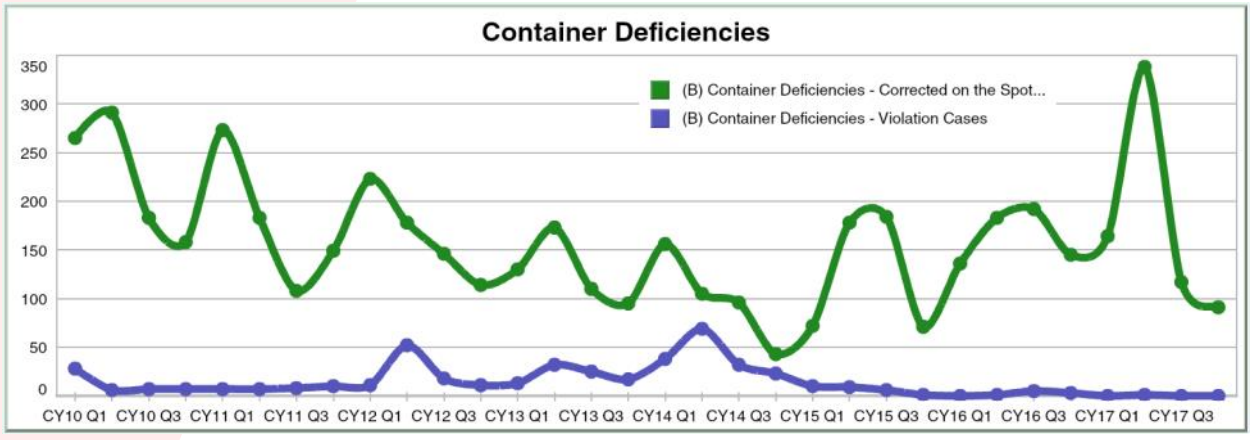
Container Updates

CG-FAC continuously seeks to improve the National Container Inspection Program (NCIP) guidance and streamline the process for both industry and the field. CG-FAC routinely meets with the National Cargo Bureau to discuss industry and Coast Guard concerns and issues with the shipment of containers in an effort to identify ways we can work together to mitigate risks. CG-FAC continues to evaluate NCIP guidance, Tactics, Techniques, and Procedures, and Performance Goal Calculator to ensure all policy concerns are addressed.

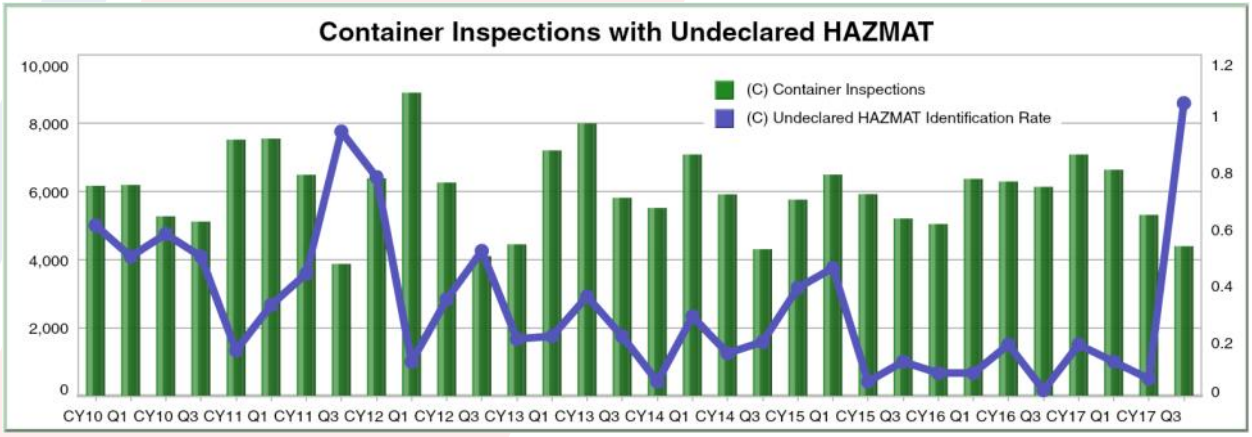
In 2017, 23,445 container inspections were conducted, with 2,909 deficiencies identified on 2,258 different containers. As a result of these inspections, 445 container cargoes (materials transported within the container) and 408 containers (for structural deficiencies) were placed on hold due to posing significant hazard to ports and the marine transportation system as a whole.

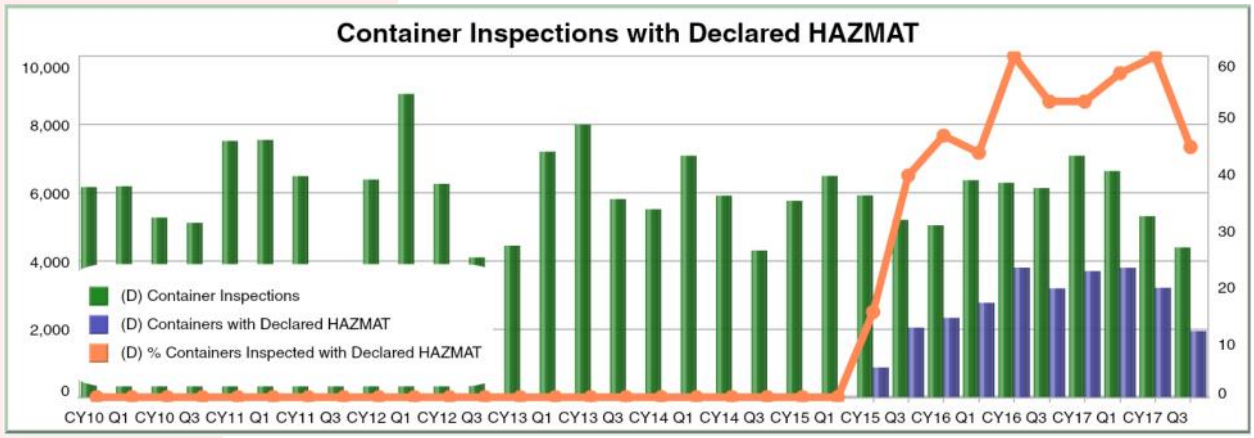
The Coast Guard conducts three types of container inspections: Declared, General and Structural. "Declared" inspection refers to containers with declared hazardous materials and includes such things as verifying paperwork and packaging requirements. "General" inspections contribute to identifying shipments of un-declared HAZMAT or other deficiencies with a container. "Structural" inspections occur during every container inspection and help ensure the structural serviceability of containers. Containers with structural damage can cause or contribute to significant safety risks to the MTS, vessels, facilities, and the personnel working with or around them.

Input from the field is always welcomed and appreciated as we continue to improve the NCIP to reduce risk and improve safety both at sea and ashore.



Container Updates



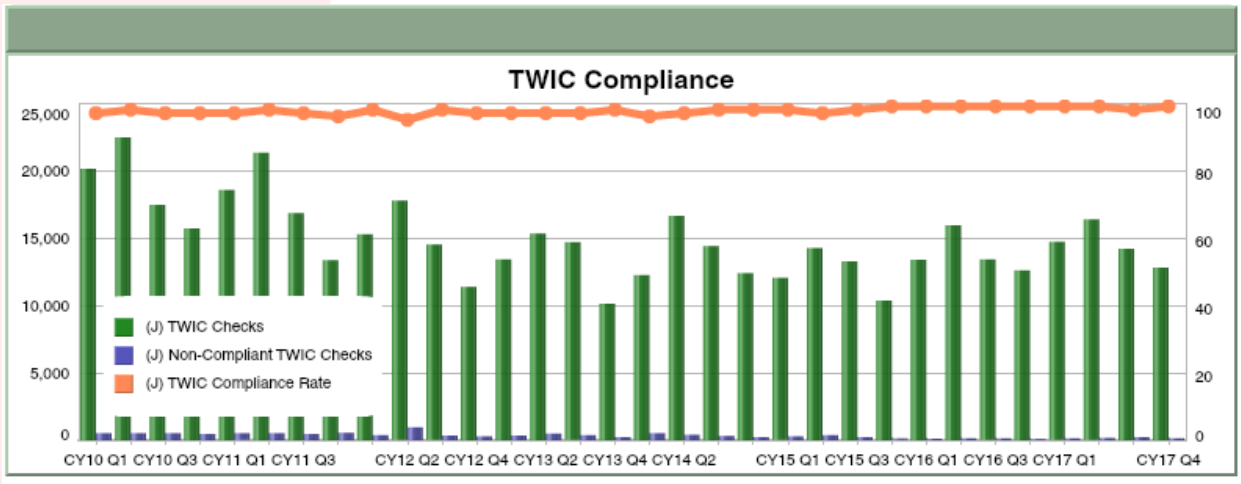


NOTE: Prior to CY15 Coast Guard data systems did not differentiate between cargo type on container inspections.

Transportation Worker Identification Credential (TWIC) Verifications

As part of the MTSA security program, Facility Inspectors conducted a combined 58,234 visual and/or electronic inspections of TWIC cards in 2017 and identified 693 instances of non-compliance with TWIC requirements. Electronic TWIC inspections are an important component of the Coast Guard's layered maritime security and CG-FAC encourages field units to use the deployed readers during each inspection, combined with visual card verifications. CG-FAC is in the process of procurement to replace the previous card readers which reached their end of life. We anticipate purchasing replacements in conjunction with implementation of the TWIC reader final rule.

TWIC Implementation Branch members worked directly with counterparts at TSA to discuss and address TWIC program improvements and issues. TSA has begun implementation of a civil enforcement program for individual TWIC holders violating regulatory requirements. Many Transportation Security Inspectors – Surface (TSI-S) personnel have reached out to Districts and Sectors to coordinate implementation of this enforcement and inspection program and CG-FAC highly encourages units to support these efforts by TSA. CG-FAC has sent out specific guidance regarding this issue via CGMS. If units have specific questions or issues, please contact the TWIC Branch staff.



Rulemakings

Transportation Worker Identification Credential (TWIC)

The TWIC reader rule requires owners and operators of certain MTSA regulated vessels and facilities to use electronic readers designed to work with TWICs as an access control measure. The Coast Guard published the TWIC reader rule on August 23, 2016, with a two year implementation period.

The U. S. Coast Guard is continuing to consider all options to determine the best path forward to address the petition made by industry on May 15, 2017, and clarify the reader rule. Units should expect to enforce the TWIC reader rule on the original implementation date of August 23, 2018 on the population discussed in the Maritime Commons Blog noted here: http://mariners.coastguard.dodlive.mil/2017/03/31/3312017-twic-reader-rule-update/

Consolidated Cruise Ship Regulations

The Coast Guard will be adding requirements for screening baggage, personal items, and persons – including passengers, crew and visitors – intended for carriage on a cruise ship. New screening regulations will enhance the Coast Guard's broad role and responsibility for maritime security. The rule will strengthen cruise ship security, further enhancing the overall security of passengers. The Final Rule was signed in March 2018 by CAPT Jennifer Williams, Director of Inspections and Compliance. The Final Rule was published on March 19th. For more details see: http://mariners.coastguard.dodlive.mil/2018/03/19/3-19-2018-consolidated-cruise-ship-security-regulations-final-rule-published/

Seafarer's Access

This proposed rule would establish clear regulatory requirements for each facility owner or operator to make provisions in their Facility Security Plan for seafarers associated with a vessel moored at the facility, including pilots and other representatives of seaman's welfare and labor organizations, to have access between the vessel and facility gate without unreasonable delay and at no cost to the individual. For more details or questions regarding a specific port, please contact the local Captain of the Port.

Training

In 2017, Training Center (TRACEN) Yorktown graduated 46 students from the Facility Inspection Course and 69 students from the Explosive Handling Supervisor course. Additionally, the CITAT graduated 177 Coast Guard and 10 Other Government Agency personnel from the Container Inspection Course.

While CITAT is not a CG-FAC entity, they do serve as an exceptional force multiplier for CG-FAC in advancing the National Container Inspection Program. In this capacity, they assisted three units on Multi Agency Strike Force Operations, where they conducted 235 container inspections. They also assisted in teaching two Department of Transportation Safety Institute Hazmat Courses, instructing 39 material shipment professionals, and assisted on four Department of Defense deployments, training 92 personnel, advising on proper shipment of 3,480 pieces of rolling stock and inspecting 389 shipping containers. Without this assistance, vital DOD supplies could have been detained in ports around the world and negatively impacted DOD mission execution.

CG-FAC assisted in the facilitation of training conducted by CITAT to 32 international students at the World Maritime University in Malmo, Sweden, in April 2017. This effort allowed students from 21 countries to learn how the Coast Guard implements international policies and standards so those students can take best practices back to their country and ultimately improve the safety of cargoes being shipped around the world, including into United States ports.

The re-write of the Facility Inspector Course continues, with the goal to pilot the new course in May 2018. Additionally, CITAT completed their multi-year effort to re-write and update that course. The new performance based course was piloted in 2017 with great success and will be finalized to become the permanent course in 2018.

CG-FAC Road Shows

CG-FAC sponsors and funds a Facility Inspector/Port Security Specialist (FI/PSS) Workshop every other year. This year it is scheduled for April 24-26, 2018. In an effort to make sure all FI/PSSs are up to date on FAC programs, during the "off years" FAC personnel conduct Road Shows. Instead of the FI/PSSs gathering in one location, FAC goes to the field and conducts training and promotes discussion & information sharing on whatever topics are of importance to particular Districts and/or Sectors.

In 2017, from May through November, a FAC team visited seven Districts and held a video teleconference with one other. The topics most often requested were: TWIC reader update, LNG, Unmanned Aircraft Systems (UAS), Cyber-security, FSO training, MTSRU/CART and other emerging issues. All of the sessions were well attended with some groups having more than 25 attendees.

William M. Benkert Award for Environmental Excellence

CG-FAC is proud to announce the Biennial Rear Admiral William M. Benkert Environmental Protection Award for Excellence.

Background: The award honors Rear Admiral William M. Benkert (1923-1989), a great leader in the field of marine safety. Therefore, it is especially satisfying for the Coast Guard to recognize leadership, great innovation, and the creativity of industry leaders who showcase their initiatives through this award program.

Criteria: The criteria by which submissions were considered include several critical success factors such as environmental policies, objectives and targets, pollution prevention activity, safety management, outreach, partnership, and performance metrics.

Recognition: To acknowledge the applicant's progress in pursuing environmental excellence, the award program is comprised of five levels of recognition, the highest honor being the Osprey, followed by gold, silver, bronze, and honorable mention, This year, following a detailed, cross-programmatic review of the submissions, the Coast Guard is proud to announce the five award recipients.

Osprey

The 2018 William M. Benkert Award Osprey Winner goes to *Polar Tankers* of Houston, Texas. *Polar Tankers* currently transports crude oil from the terminus of the Trans-Alaskan Pipeline System located in Valdez, Alaska, to twelve refineries along the U.S. west coast and Hawaii. The company transports roughly eighty million barrels of crude oil per year with five Endeavor Class (E-Class) double hull vessels. Notable environmental practices include the company's investment in state-of-the-art green equipment updates, volunteering as part of emission reduction programs, and development of a rapid response aero-dispersant system for oil spill response.

Gold

The 2018 William M. Benkert Award Gold Winner goes to *Norwegian Cruise Lines (NCL)*. With one of the most recognizable names in the passenger vessel and tourism industry, *NCL*'s environmental efforts encompass a global impact. Several marked practices include quality investments in advanced wastewater treatment systems onboard its vessels and a robust recycling program. *NCL* also conducted outreach beyond its immediate company and expanded sustainability ideals to their millions of annual passengers. For instance, environmental awareness programs were created for a vast demographic of passengers, especially adolescents to participate in an interactive learning experience about environmental protection. Additionally, *NCL* partnered with the Guy Harvey Ocean Foundation to provide a program for guests to cruise with Guy Harvey, marine wildlife artist and enthusiast, to learn about ocean conservation.

William M. Benkert Award for Environmental Excellence

Silver

The 2018 William M. Benkert Award Silver Winner goes to *Harley Marine Services* based out of Seattle, Washington, a predominant tug and barge operation with services throughout the country. Distinguished environmental efforts from *Harley Marine Services* include a smart recycling program with company tugs operating on used tires in fender operations and then, eventually recycled as AstroTurf on children's playgrounds. Further, *Harley Marine Services* is commended for their two Leadership in Energy and Environmental Design (LEED) Gold certified buildings, a prominent architectural environmental standard, one of which serves as the company headquarters in Seattle. Specifically, the company extends green practices beyond their immediate fleet, and integrated the environment into living spaces through a sea life sanctuary within their headquarters' atrium, a true indicator of the company's full investment in sustainability practices.

Bronze

The 2018 William M. Benkert Award Bronze Winner goes to *Marathon Petroleum Company – Marine Transportation*, Catlettsburg, Kentucky. *Marathon Petroleum Company's* inland river operation utilizes 16 line haul towboats, two harbor boats, and a fleet of over 200 tank barges, as well as contracted and chartered brown-water equipment. The company is acknowledged for its dedication to the enhancement of environmental programs, such as developing wildlife habitat on company property, and working with local Cub Scout groups. Additionally, other notable green initiatives include its fuel conservation program for vessel operations, generous recycling program, and day-to-day efforts, such as LED lighting and biodegradable cleaning solutions.

Honorable Mention

The 2018 William M. Benkert Award Honorable Mention recognition goes to the *Alaska Maritime Prevention and Response Network* headquartered in Anchorage, Alaska. The *Network* administers a Coast Guard-approved Alternative Planning Criteria (APC) for tank and non-tank vessels subject to federal Vessel Response Plan (VRP) regulations while operating in the Western Alaska and Prince William Sound COTP zones. Notably, the *Network* helps to connect over 450 companies with a total of over 3,200 non-tank vessels and 290 tank vessels cover an area of approximately 1.5 million square miles of coastline. Additionally, it has provided access to the largest inventory of spill response capabilities in western and southcentral Alaska to include response hubs in special remote locations including Barrow and Nome, Alaska.

This year's applicant pool displayed industry's overall commitment to the environment. For additional information concerning the Benkert Award, please visit:
https://homeport.uscg.mil/missions/environmental/outreach-programs/awards

Richard E. Bennis Award for Maritime Security Excellence

CG-FAC is proud to also announce the Biennial Rear Admiral Richard E. Bennis award for Excellence in Maritime Security.


Rear Admiral Bennis

Background: The Rear Admiral Richard E. Bennis award is named for an outstanding Coast Guard leader who embodied our core values and demonstrated an exceptional commitment to the security of the United States and the MTS. On September 11, 2001, while serving as Captain of the Port New York, Rear Admiral Bennis organized the extraordinary waterborne evacuation of nearly 500,000 people from lower Manhattan after the terrorist attacks on the World Trade Center. Rear Admiral Bennis served honorably in the Coast Guard for 30 years until his retirement in 2002. This biennial award serves to highlight and recognize outstanding achievements and contributions of the maritime community with regards to implementation of MTSA requirements and other maritime security best practices in safeguarding our nation's critical MTS.

Criteria: The criteria by which submissions were considered include several critical success factors such as partnerships, people, processes, physical security, and other security activities.

Recognition: The award program is comprised of five distinct categories: Port Authority, Large Facility, Small Facility, Large Company, and Small Company. Following a detailed, cross-programmatic review of the submissions, the Coast Guard is proud to announce the Rear Admiral Richard E. Bennis Award recipients:

1. Port Authority - Port of Houston (Houston, Texas):

The Port of Houston facilitated the safe and secure movement of more than 241 million tons of cargo and ranked #1 in the U.S. in foreign waterborne tonnage, U.S. imports, and is considered the nation's busiest breakbulk port. The Port of Houston is ISO 28000 certified (specification for security management system for the supply chain), holds various key leaderships positions in the local Area Maritime Security Committee (AMSC), and is an avid participant in an array of other committees that address maritime security issues. The Port of Houston volunteered to chair the AMSC's newly formed Facility Security subcommittee to improve communication and information sharing between the various MTSA regulated facilities and regularly hosts meetings to bring federal, state, and local partners together to discuss and bolster maritime security.

2. Large Facility - Chemours Washington Works (Parkersburg, West Virginia)

Chemours Washington Works inclusive approach cultivated positive partnerships in the Ohio Valley region ensuring effective information sharing with federal, state, and local partners enhancing maritime security on the Ohio River. Chemours initiated its first ever Active Shooter Exercise in its 68 year history. The exercise was designed to test security procedure and determine best practices and lessons learned to effectively respond to criminal or terrorist activity. The exercise was a great success, included participation by state and local partners, and opened the door for continuous dialogue and partnership within the community. Additionally, Chemours worked with the local county emergency management office to lease some of its property that paved the way for the construction of a communications tower. This action will improve first responder and public safety communications, where currently none exists, while simultaneously enhancing radio coverage and communications in adjoining areas.

Richard E. Bennis Award for Maritime Security Excellence

3. Small Facility - Lucy Woodstock (Memphis, Tennessee)

Lucy Woodstock is situated between the Mississippi and Wolf Rivers and is comprised of eight employees. This small facility serves as the Vice Chair on the Memphis AMSC, hosts the AMSCs monthly executive steering committee, and is actively engaged in other committees and groups that focus on bolstering maritime security and safety in the local area. The facility holds awareness training to educate First Responders and Public Official Liaison personnel on the type of vessels and cargoes transferred into and from the facility which include, anhydrous ammonia and other bulk liquid dangerous cargo. Additionally, Lucy Woodstock acknowledges emerging technologies and has taken a proactive stance to attend cyber security conferences to better understand this activity and improve its ability to address risks associated with cyber advancements.

4. Large Company - Statue Cruises - (Jersey City, New Jersey)

Statue Cruises provides passenger ferry services from New York City, NY and Jersey City, NJ to high profile tourist areas such as Liberty State Park, Ellis Island, and Liberty Island. The company employs 10 USCG certificated vessels and ferried nearly 10 million passengers to the aforementioned popular tourist areas in 2016 and 2017. The company is an active member of the local AMSC and led the way to initiate a large scale Active Shooter tabletop exercise in order to allow federal, state, and local partners to discuss and address the complexities of a dual state response effort. Additionally, Statue Cruises served as the Industry Facilitator of a Lower Manhattan Emergency Evacuation to support public safety of New York and New Jersey residents. The exercise included many of the same critical support resources from the Active Shooter exercise, but focused on the response and coordination of an efficient and effective evacuation effort by waterborne transportation, following the legacy action and preparedness of Rear Admiral Bennis during 9/11.

5. Small Company - Port of Texas City Security Council (Texas City, Texas)

The Port of Texas City Security Council (PTCSC) employs two full time employees and one part time employee. Its principal purpose is to provide security services to its 15 business members of which eleven are regulated under MTSA. PTCSC is a regular participant in the local AMSC, the AMSC's executive steering group, Port Security Grant subcommittee, and the Regulatory Working group. PTCSC began the development of a cyber security policy in line with the NIST to assess cyber vulnerabilities and mitigate or eliminate the impact of those vulnerabilities. Additionally, PTCSC implemented a security officer and security shift supervisor recognition program that recognizes personnel every month for outstanding performance of day to day duties, instilling pride and heightened vigilance of security personnel.

Area Maritime Security Committees (AMSCs)

AMSC support

Using the Area Maritime Security Training and Exercise Program (AMSTEP), Federal Maritime Security Coordinators and their AMSCs tested the effectiveness of their respective port-level AMS Plans and supported maritime security preparedness regimes through the engagement of federal, state, local, tribal, and territorial government and private sector stakeholders. In 2017, eighty-one (81) events (total) were held, including seven seminars, eight workshops, 24 table top exercises, eight functional exercises, 12 full-scale exercises, 18 area maritime security drills, and four maritime security operations during real events receiving exercise credit. Each event generated remedial actions for improving maritime security and identified best practices that were shared with the AMSCs.

Annual AMSC consolidated report

CG-FAC reinstated the publishing of a consolidated annual report on the status and work completed by AMSCs. The annual report is an important tool used to compile and share information pertaining to AMSC issues such as: committee organization, training events, challenges, accomplishments, best practices, and recommendations. This effort ensures the Coast Guard and the maritime community maintain alignment with national preparedness goals, strategies, and reporting requirements, and ultimately serve to improve AMSC effectiveness nationwide. The Annual AMSC consolidated report will be published on or about July 1st.

AMSC of the Year

In May 2017, The Port of New York/New Jersey and Port of Albany AMSC was recognized as the AMSC of the Year. The AMSC provided a regional forum for the collaboration of various port stakeholders, providing an effective layered security approach critical to the protection of the MTS. The AMSC formed the first Cyber Working Group/Subcommittee in the Coast Guard, bringing together members of the public, private, and financial sectors to collaborate and build a way forward to improve cybersecurity in the maritime environment. The AMSC spearheaded three “first of their kind” cyber tabletop exercises for the container, passenger vessel, and oil and gas industry bolstering maritime security and improving partner communications of cyber related events. Additionally, The AMSC hosted the Commandant of the Coast Guard and facilitated a discussion for more than 90 regional and national-level industry leaders to discuss cyber intrusion reporting, possible regulatory ramifications, and the future of the Coast Guard’s involvement in cyber.

What to Expect in 2018

- CG-FAC will continue working with the appropriate offices to develop cyber policy that will address training, exercises, and cyber risk management for facilities and vessels. This will be done through a newly formed CG-5P Cyber Policy Council. This council will be comprised of CG-5P offices and seek guidance from other directorates as appropriate to further develop and mature our cyber regime and guidance to MTS stakeholders.

- CG-FAC-1 will work on initiatives related to MTS Recovery that include:

  -TTP for the Security Specialist (Port/Recovery) Program
  -Updated MTS Recovery Planning and Operations policy (COMDTINST 16000.28(series));
  -Updated Common Assessment & Reporting Tool User's Guide.

- CG-FAC-2 Safety Branch is working on numerous projects to update existing and create new policies. Keep an eye on the message board, FAC Notes, and your email for ways you can help shape these policies, as well as, the release of information when updates are completed.

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CG-FAC Links

www:	http://www.dco.uscg.mil/Our-Organization/Assistant-Commandant-for-Prevention-Policy-CG-5P/Inspections-Compliance-CG-5PC-/cgfac/
Portal:	https://cgportal2.uscg.mil/units/cgfac/Documents/Forms/AllItems.aspx
Homeport:	Homeport> Mission> Maritime Security or Ports and Waterways
TWIC (Portal):	https://cgportal2.uscg.mil/communities/twic-discussion/SitePages/Home.aspx