

MONTHLY REPORT for ICS

April 2024

NOTE TO THE READER: Reference to the Federal Register may be found at <http://www.gpo.gov/fdsys/browse/collection.action?collectionCode=FR>. Please note the new address and format for Federal Register retrieval due to upgrade in US government website.

References to legislation may be found at <https://www.congress.gov> at the center of the page.

USCG Notice of Proposed Rulemaking (NPRM) on Cybersecurity in the MTS

As you are aware, the USCG released a Notice of Proposed Rulemaking (NPRM) to add regulations for cybersecurity requirements for U.S.-flagged vessels, Outer Continental Shelf facilities, and U.S. facilities subject to the Maritime Transportation Security Act of 2002 as subpart F to 33 CFR 101. CSA spoke with USCG and was the first to request a 30-day extension to the current deadline of April 22, 2024. Several other Organizations also requested extensions. The USCG extended the comment period to now end on May 22, 2024.

This is the last call for CSA member input on this NPRM. Please send us any comments on this NPRM that you would like CSA to include or reiterate in the comments we will submit to the Federal Docket.

Link to the full NPRM document and comment portal identified by docket number USCG-2022-0802:

[NPRM Cybersecurity in the Marine Transportation System \(docket number USCG-2022-0802\)](#)

Stop Harboring Iranian Petroleum (SHIP) Act (S 1829/HR 3774) now contained in HR 815

The SHIP Act was introduced in mid-2023 and referred to the Senate Committee on Foreign Relations and the House Committee on Foreign Relations. This bill requires the President to impose visa- and property-blocking sanctions against foreign persons that knowingly transport, process, refine, or otherwise deal in petroleum and petroleum products (including petrochemicals) originating in Iran. These sanctions also extend to certain foreign persons associated with the sanctioned individual, such as adult family members and any entities owned by the sanctioned individual. The sanctions do not apply to the importation of goods.

We have been tracking the original SHIP act since it was originally introduced almost a year ago. We have included updates in our monthly reports, the latest one in March 2024. Due to the increasing political climate, including the problems in the Middle East, Congress perceives a need to focus more on Iran and potential sanctions against Iran than could stem the flow of revenues to terrorist organizations attacking Israel. The SHIP Act has now been included as an amendment to HR 815, Making Emergency Supplemental Appropriations for the Fiscal Year Ending September 30, 2024, which was passed by Congress on April 4, 2024, and signed by the President on April 24, 2024.

From our general view, it doesn't do much more than the Iranian sanctions already in place via executive order, which are currently not being enforced to any significant degree. CSA has met with the US State Department and given the case specific nature of sanctions enforcement, there is not much more to add than State and Treasury/OFAC will look at the "links" in a transaction that looks suspicious and will make a call as to whether to investigate further. Our advice to any company that is concerned about the impacts of the sanctions on their specific operations is to contact OFAC and ask for their opinion prior to the start of any potentially sanctioned activities.

With the complexities of commercial transactions, we strongly advise the involvement of an attorney that understands the sanctions as they relate to a particular business case and has experience with working with OFAC. CSA agrees with the perspective expressed in the media about the SHIP Act which notes that a country may impose sanctions in whatever form e.g., executive order, enacted statute, but if they are not enforced, they are of little substantive impact. CSA believes that enactment of the SHIP Act, given that existing sanctions already exist via executive order, is more to provide leverage during US discussions abroad urging other countries to distance themselves from Iran.

US Coast Guard Authorization Act of 2024 (HR 7659)

The Coast Guard Authorization Act of 2024 was introduced in mid-March, referred to the House Committee on Transportation and Infrastructure and the House Sub-Committee on Coast Guard and Maritime Transportation. In late May, the bill was reported out of the Subcommittee and Committee and is now on the House floor for further debate and action. It is unknown when the House will take further action on this bill, although historically this bill may well become an amendment to an even larger authorization bill.

This bill contains two sections of note. First, the bill contains the full text of the bill previously in the Senate as the American Offshore Workers Fairness Act (S 3038) which would modify the current exemption allowing foreign flag vessels/rigs/platforms to operate on the US Outer Continental Shelf to require

that individuals employed on these vessels be either citizens of the US, a lawfully admitted alien or a citizen of the country in which the vessel is registered.

Second, after many years of efforts, this bill includes text supporting a “risk based” approach to inspection of tank vessels for the issuance of the required Certificate of Compliance as opposed to the current rigid requirement that all vessels subject to these requirements must be inspected by USCG inspectors, regardless of their past compliance histories. These provisions are important due to the fact that over the past several years, vessels have incurred significant delays due to the shortage of USCG inspectors. These delays have been especially profound in ports in the Gulf of Mexico and the SE United States. Enactment of these provisions would allow the USCG to adopt a risk based approach similar to the approach currently used for port state control boarding inspectors and free inspectors to focus on higher risk vessels based on their compliance history and other factors.

U.S. Maritime Advisory

U.S. Maritime Advisory 2024-006 - [Southern Red Sea, Bab el Mandeb Strait, Gulf of Aden, Indian Ocean, Somali Basin, Arabian Sea, Gulf of Oman, Strait of Hormuz, and Persian Gulf -Threats to Commercial Vessels](#)
