

MONTHLY REPORT for ICS

May 2026

**USTR Investigation on Structural Excess Capacity and Production in
Manufacturing Sectors**

The USTR has initiated yet another investigation which is focused on potential violations of the US Trade Act with respect to acts/policies/practices of certain economies relating to structural excess capacity and production in manufacturing sectors. A copy of the Federal Register document may be found at <https://www.govinfo.gov/content/pkg/FR-2026-03-17/pdf/2026-05214.pdf>

Upon our review, we do not believe that port fees on currently operating vessels were intended to be included in this investigation particularly since they are already covered under the investigation in which we have been engaged and submitted testimony over the past two years. The focus of this investigation is on manufacturing sectors and could conceivably include shipbuilding.

In spite of this analysis, the Lake Carriers Association (LCA) submitted comments recommending that tariffs should be imposed on "foreign manufactured" Lakers calling in the Great Lakes binational trade which would obviously would not include vessels calling in US Great Lakes ports from outside the Great Lakes. The Chamber of Marine Commerce (Canada) contacted ICS requesting ICS submission of comments given the potential for negative impact on its members. CSA worked with ICS in identification of specific points to be included in the ICS comments which were submitted to the docket. CSA did not submit separate comments based on the narrow application to foreign manufactured Lakers, and due to a conflict of positions within CSA membership given that one of our members does operate 8 US flag Lakers which would be favorably impacted if the LCA recommendations were imposed.

NOAA - North Atlantic Right Whale Speed Reduction Rule – ANPRM

The Federal Register notice may be viewed at <https://www.federalregister.gov/documents/2026/03/04/2026-04260/advance-notice-of-proposed-rulemaking-to-amend-the-north-atlantic-right-whale-vessel-strike>

As previously noticed in our March 2026 report which also included our analysis of the proposal, NOAA is requesting comments on the above referenced ANPRM. CSA submitted timely comments which are summarized below.

- Current regulations appropriately balance economic impacts with mitigation of ship strikes as evidenced by historic populations since the inception of the rule in 2008.
- The geographic area of application and temporal criteria are appropriate and should not be changed unless/until such time as scientific evidence of whale locations, migration routes and temporal distribution suggests review and possible revision.
- The 65 foot and above vessel size criteria is appropriate and should not be reduced due to unintended safety impacts on pilot boats and other smaller craft critical to the safe movement and navigation of larger vessels.
- Imposition of speed restrictions are justified in areas where whales have been sighted and locations communicated to vessels in the area. We support imposition of speed restrictions in these areas e.g., dynamic management areas.
- Speed restrictions should be mandatory in dynamic management areas (DMAs).
- Speed restrictions in season management areas (SMAs) which are currently mandatory should be voluntary/recommended given their establishment is based on the historical location of whale distribution and not in real time as is the case with DMAs.
- Mandatory speed restrictions should NOT be applied in federally dredged channels, pilot boarding areas or near coast traffic separation schemes including approaches to pilot boarding areas.
- Reporting requirements where safety deviations from the speed restrictions are necessary to ensure safe navigation should be as flexible as possible and not require reporting until the vessel claiming the safety deviation is safely berthed at the dock for inbound transits or until the vessel claiming the safety deviation has taken departure for outbound transits and is clear of high traffic density areas. Current requirements related to entry of relevant speed deviation information in the deck logbook should be retained.

Coast Guard Annual Port State Control Report

The U.S. Coast Guard has published its [2025 Port State Control \(PSC\) Annual Report](#), providing key insights into the results of the U.S. PSC program and highlighting important safety and compliance trends for the maritime industry.

Key Highlights from the 2025 Report:

- **Improved Detention Ratios:** The annual detention rate for foreign vessels in 2025 improved to 0.85% (down from 0.94% in 2024). The three-year rolling average detention ratio also saw a slight decrease, landing at 1.00%.
- **Detention & Deficiency Trends:** While overall detentions decreased, the report identifies recurring compliance challenges. For the fifth consecutive year, Fire Safety remained the leading category for operational deficiencies. Additionally, deficiencies related to Safety Management Systems (SMS) remain a prominent cause for detentions, despite showing an overall decline.
- **QUALSHIP 21 and E-Zero Programs:** Total enrollment in the QUALSHIP 21 program stands at 4,659 vessels. The environmental E-Zero designation has grown to include 605 vessels, representing an increase of over 140 vessels compared to last year. Notably, The Bahamas, Germany, Italy, and the Philippines have newly qualified for QUALSHIP 21 eligibility this year.
- **Flag Administration Performance:** The report updates performance data for flag administrations. The Bahamas, Comoros, Curacao, Italy, and Latvia have successfully been removed from the USCG's targeted flag list.

Coast Guard Policy on Certificate of Compliance Exams

The U.S. Coast Guard's Office of Commercial Vessel Compliance (CG-CVC) has recently released policy guidance regarding the implementation of the new Performance-Driven Certificate of Compliance (COC) Examination Schedule.

This policy transitions the annual mid-period inspection from a rigid, time-based requirement to a flexible, data-driven model that rewards vessels with a strong history of safety and compliance. While the comprehensive, on-board examination required every two years for COC renewal remains mandatory, high-performing vessels can now fulfill their annual mid-period requirement via a Coast Guard automatic performance review in lieu of a physical, on-board inspection.

Key Policy Highlights:

- **Procedural Continuity:** Vessel operators will continue to submit annual COC examination applications to the local Officer in Charge, Marine Inspection (OCMI) as they normally would.
- **Automatic Performance Evaluation:** Upon receiving an application, the Coast Guard will automatically conduct a comprehensive review of the vessel's performance history. This review assesses the vessel's U.S. and foreign

compliance records, cargo-specific documentation, and the safety performance of its owner and operator.

- **Crediting and Fee Exemption:** For eligible high-performing vessels, the OCMI will issue a formal letter crediting the vessel with meeting its annual requirement. This letter must be maintained on board as proof of compliance, and no user fee payment is required for that credited examination.
- **Scope:** This program applies exclusively to foreign tank ships (including oil, liquefied gas, and chemical carriers) and does not alter COC requirements for passenger vessels or Mobile Offshore Drilling Units (MODUs).

Automatic Disqualification Criteria:

Vessels will be automatically disqualified from participating in this performance-driven schedule if, within the last three years, they have:

1. Been detained by the U.S. Coast Guard;
2. Had a violation issued against their owners or operators; or
3. Suffered a marine casualty that involved the safe operation of the vessel.

Recommendations:

- **Fleet Performance Audit:** We recommend that members review their fleets' compliance and incident history over the past three years to anticipate which vessels will qualify for this flexible schedule.
- **Verify Coast Guard Compliance History:** Members may review the Coast Guard's records for deficiencies and operational controls issued to a vessel at: <https://cgmix.uscg.mil/psix/psixsearch.aspx>
- **Maintain Records On Board:** Ensure that any OCMI letters crediting a vessel are kept on board to serve as official proof of compliance for other Coast Guard units and industry partners.

The full guidance is available in the linked [CVC-WI-021\(3\)](#) work instruction.

US Maritime Security Advisories, Alerts and Piracy Reports

U.S. Maritime Security Advisory 2026-008

[2026-008-Global-U.S. Maritime Advisory Updates, Resources, and Contacts](#)

[U.S. Maritime Security Advisory 2026-007](#)

[2026-007-Worldwide-Worldwide-Foreign Adversarial Technological, Physical, and Cyber Influence](#)

Worldwide Threat to Shipping

[WTS May 27, 2026 \(Current Issue\)](#)

[WTS May 20, 2026](#)

[WTS May 13, 2026](#)

[WTS May 6, 2026](#)

