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This Month's Edition Sponsored By



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Mark Your Calendars

OMSA Membership Meeting
Southshore Harbour Conference Center
League City, Texas
October 24th



Licensing Extension/Jones Act Protection Highlight Coast Guard Bill

Nearly a month ago, President Bush signed into law a Coast Guard Bill that contained relief for mariners whose licenses and documents were about to expire, but mariners and companies waiting for relief will have to wait a little longer. The Coast Guard has not yet released the guidance to put the extensions into effect.

The long-awaited Coast Guard and Maritime Transportation Act of 2006 was signed into law by the President on July 16th. A hurricane-related provision that has been followed closely by OMSA members would allow the Coast Guard to extend both inspection periods and mariner licenses that are in danger of expiring. The Coast Guard has reported to Congress and has informed OMSA that it intends to use the authority to extend documents that have been held up by the problems related to the hurricane. However the policy guidance that would put those extensions into force is still being reviewed within the Coast Guard.

OMSA has written to Rear Admiral Craig E. Bone, Assistant Commandant for Prevention urging the Coast Guard to put the new law into effect as soon as can be practicably accomplished. The letter says that this would not only ensure that working mariners do not suffer because of disruptions in the licensing process, but also would help ease the overall licensing backlog and give the Coast Guard some breathing room as it attempts to address problems that were caused by last year's hurricanes. OMSA will continue to closely monitor this issue and will report to the members as soon as guidance is released.

The Coast Guard has prepared a policy memo implementing these provisions but is waiting legal review prior to implementing the authority. Once finalized the provision is expected to extend the validity of expired licenses for mariners living in Louisiana, Mississippi or Alabama or those whose records were kept at the Regional Exam Center in New Orleans.

In a letter to the head of the Coast Guard's Prevention Department, OMSA urge the Coast Guard to allow for the extensions as soon as is practicable. The association will continue to closely monitor the progress of this initiative.

Another provision in the new law of interest to OMSA members include giving the Coast Guard the authority to ask mortgage-holders for information that would help determine whether a foreign company is using a mortgage to control a U.S. vessel owner, in violation of the Jones Act. This is something OMSA had worked very hard to accomplish last year.

A second provision says that only U.S. registry vessels to set anchors and other mooring equipment or carry supplies to MODUs that are not "points" in the U.S. When a MODU is engaged on a drilling location, anchors and supplies can only be carried by U.S. vessels with Coastwise endorsements. The amendment closes a loophole that allowed foreign vessels to do some work when MODUs are not yet drilling or are stacked.

Coast Guard Reorganizes Licensing Process

As a part of the effort to replace the New Orleans Regional Examination Center (REC) which was destroyed by hurricane Kartrina, the Coast Guard is reorganizing the functions of the REC. Acceptance of applications will still take place in the New Orleans area, but the actual processing of the applications will take place in West Virginia.

As the first step of this restructuring, REC New Orleans re-opened on August 9th, after operating from a temporary office in Memphis since the storm. The REC New Orleans office is now located at 201 Old Hammond Highway in Metairie. The location will be a "storefront" office, meaning that it will take applications, offer fingerprinting, examinations, and identification verification services, but will send the documents on to a new office in West Virginia for evaluation.

The Coast Guard plans to bring in a number of contractors to the West Virginia office to help clear through the backlog. The plan has been for that office to begin operation in September. In the meantime, other RECs around the country will be expected to take on part of the New Orleans workload.



The new National Maritime Center in West Virginia is the beginning of a complete restructuring of the mariner credentialing process. By the time the restructuring is complete, all of the regional exam centers will be storefront offices and the actual evaluations will be done in an assembly-line fashion in West Virginia.

As a side note to this, the Coast Guard has urged all of the Regional Exam Centers to utilize the Streamlined Evaluation Process (SEP) that has been in wide use at the Houston Regional Exam Center. A number of OMSA members have utilized this process, which involves companies pre-screening application documents to make sure they are error-free. OMSA has urged the Coast Guard to adopt the program nationwide. The association has received a commitment that the newly re-vitalized New Orleans REC will use the program.

The new address of REC New Orleans is: Commander, Sector New Orleans
 Regional Examination Center
 201 Old Hammond Hwy, Metairie, La. 70005
 (504)219-2719

OMSA Testifies at Congressional Hearing on Licensing

On July 29th, the House Transportation and Infrastructure Committee's Coast Guard Subcommittee held a hearing on problems with mariner licensing. The hearing was held in response to a large number of complaints from mariners and the maritime industry over delays in the licensing and documentation process. At the start of the hearing, Committee Chairman Frank LoBiondo's (R-NJ) said that "the evaluation process for mariner credential applications has become significantly more elaborate and time-consuming for all involved."

Shull Autin of SEACOR Marine testified on behalf of OMSA. Mr. Autin said that, while the Coast Guard has worked hard to restore services lost during Hurricane Katrina, since the storm the licensing process has become overstressed to the point of failure. He indicated that, based on a survey of OMSA members, it appears that mariners face delays of three-to-five months in the processing of entry-level merchant mariner documents and simple renewals may take up to four months. He also voiced the industry's concerns over the Transportation Worker Identification Credential (TWIC) which, as proposed, could make it very difficult to hire qualified mariners.

Rear Admiral Craig E. Bone, Assistant Commandant for Prevention outlined the Coast Guard's plans to reorganize the licensing function and centralize many of its activities to a new center in West Virginia. Admiral Bone said that the Coast Guard plans to utilize the authority Congress gave it to extend mariner licenses that are up for renewal.

Congressman Charles Boustany (R-LA) of Lafayette took a leading role in the hearing urging the Coast Guard to work to speed up the process of granting or renewing documents. In his opening statement he pointed out that to his understanding, the New Orleans REC had twice the number of applications for June as compared to last June, but that the REC only had half its pre-hurricane staff.

Update/Status Of New Medical Rules For Mariners

As previously reported the Coast Guard had been in the process of developing a detailed policy guide on mariner medical issues. Affected maritime groups, including OMSA, met with the Coast Guard to review and comment on the guidance in the spring and the Coast Guard promised that it would be released shortly. Due to the significant concerns from industry the Coast Guard has delayed its release. While there are many troubling aspects of the guide, one positive aspect was a detailed listing of medical diagnosis and the specific tests and reports required to process a medical waiver request.

One of the most common problems revolving around the medical waiver request process is the fact that mariners are uninformed as to exactly which tests must be submitted with a waiver request. While the policy as a whole is held up OMSA has requested that the Coast Guard release the appendix on testing requirements. It is OMSA's contention that the required tests and exams needed for a waiver request should be publicized so that mariners have access to the information.



Update – The Transportation Worker Identity Credential

TWIC Comment Period Closes

The comment period for the proposed Transportation Worker Identification Credential (TWIC) process closed on July 7th. The proposal outlined the Transportation Security Administration and Coast Guard plan to require TWIC cards and background checks for an estimated 750,000 Americans involved in maritime transportation. The plan would require TWIC cards for mariners before they apply for their MMD, potentially creating further delays in putting those crewmembers to work. It would also require fingerprint reader machines on all vessels and facilities that are currently required to have security plans.

The public was given only 45 days to comment on the TWIC proposal. OMSA and a number of other maritime groups had complained that the comment period was too short and that the agencies should hold a hearing in New Orleans or Houston to allow for additional comment from working mariners. This request was denied. However, despite the short comment period, more than 700 comments were received by TSA, almost all of them opposing the TWIC proposal.

OMSA submitted comments by the deadline, strongly opposing the TSA proposal. In OMSA's letter, the association indicated that the rulemaking would probably not pass a legal challenge because the agencies had failed to adequately study the costs and benefits of the proposal. In a lengthy document of more than 20 pages, OMSA raised a number of flaws with the TWIC concept and urged the agencies to go back to the maritime industry and work cooperatively on an approach that would help protect security without putting companies out of business and mariners out of jobs. OMSA was particularly critical of the TSA plan to exempt all foreign vessels and foreign transportation workers from having to meet the TWIC requirement.

The agencies will now review the public comments and determine how to proceed. The proposed rule said the agencies wanted to finalize the TWIC rules by the end of the year.

To view OMSA's comments or other comments to the docket, go to <http://dms.dot.gov/search/searchFormSimple.cfm> and enter docket number 24191 or 24196.

Homeland Security Watchdog Raises Concerns About TWIC.

In a critical assessment of the TWIC proposal, the Department of Homeland Security's Inspector General has reported that "We have determined that significant security vulnerabilities existed relative to the TWIC prototype systems, documentation and program management."

Investigators had studied the field tests of the TWIC that were performed in selected ports last year and determined that there were problems with confidentiality, integrity and availability of sensitive data and that the system was prone to errors, particularly identifying workers are potential terrorists when they were not.

The report says that TSA reviewed the findings and has taken steps to correct them. It is worth noting that the report was prepared in the spring but was not released to the public until after the comment period for the public had closed.

Congress May Step In On TWIC

A number of members of Congress have started to take an interest in the progress of the TWIC project. The entire Louisiana delegation, as well as other members of Congress, wrote to the agencies requesting that more time be allowed for public comments, urging them to work with the industry on a TWIC system.

OMSA and other maritime groups have urged Congress to step in and direct the agencies to cooperate with industry on developing a TWIC process that can work. There has been some discussion by Congressional committees of requiring more testing of fingerprint reader machines before that part of the TWIC is implemented. Experts have voiced great doubts that the machines can work in a maritime environment.



Towing meeting Aug 31st at Larose Civic Center

OMSA and its membership have been highly involved in assisting the Coast Guard in the development of proposals for the new towing vessel inspection regulations. OMSA has placed its emphasis on offshore towing vessels that may fall under the inspection regime.

OMSA's work to date has been based on the vessel inspection regulations that apply to other inspected vessel types and towing vessels with loadline or class. The OMSA towing committee recommended that OMSA seek out advice and input from towing vessel operators that operate offshore towing vessels that are not classed and do not have a loadline.

To that end OMSA will host a meeting of offshore towing vessel operators on August 31st at the Larose Civic Center, Versailles Room. The meeting will begin at 9:00 a.m. and last until noon. OMSA will provide coffee, drinks and snacks during the meeting and a luncheon afterwards.

Please let OMSA know of any companies performing offshore towing and invite them to attend. OMSA strongly believes that an invitation from another offshore towing professional would go further than just an announcement from the Association staff. Please get contact information from anyone who invited (phone and email) so that OMSA can send them a notice and copies of the documents produced so far. All OMSA members who operate towing vessels should consider attending, regardless of whether their boats have loadline or are classed.

The development of proposals to the Coast Guard appears to be entering its last phases so it is important that the Association gets the widest range of input possible.

Critical Inspector Shortage (SIP Proposal)

The critical shortage of Coast Guard inspector resources has continued to plague OMSA members. To help alleviate this problem OMSA has requested the Coast Guard consider an expansion of the Streamlined Inspection Program (SIP).

The SIP was originally developed as a project between the Coast Guard and OMSA as a means of simultaneously reducing the time an inspector spent aboard a participating vessel, while at the same time improving the overall safety of participating vessels. The program requires that a company apply for participation, produce vessel and company specific action plans and be accepted by the Coast Guard.

OMSA staff met with Coast Guard personnel in Washington and locally in Morgan City to propose an innovative solution to the shortage of marine inspectors. OMSA proposed that the Coast Guard interpret their existing authority under the Streamlined Inspection Program to allow a company and vessel specific action plan to state simply that a classification society (ABS, DNV, Lloyds) will inspect the vessel using its approved class rules supplement.

The Coast Guard has taken the proposal under advisement. OMSA will continue to work with local, District and Headquarters Coast Guard personnel and the classification societies in an attempt to move this program forward.

Methanol Carriage Rules Change January 2007

At its October 2004 meeting IMO voted to ratify changes to MARPOL Annex II, the carriage of noxious liquid substances in bulk. The revisions to Annex II go into effect on January 1, 2007. These changes are unlike most previous changes to MARPOL in that they apply retroactively to all vessels. There are apparently no grandfather provisions.

Beginning in January 2007 a large number of substances that were once considered "oil-like" and could be carried in single-hull tankers have now been reclassified as noxious liquid substances requiring carriage in double-hull vessels. Methanol is one of these substances. Starting in January methanol may only be carried in a double-hulled chemical tanker in international trade.



It appears that many involved in the process of developing these requirements were not aware that the offshore sector carries substantial amounts of methanol. The OMSA staff is preparing to meet with Coast Guard officials in Washington, along with several affected companies to clarify the Coast Guard's enforcement posture. Clearly methanol when carried as an international cargo must be carried in a double-hulled chemical tanker. However, there is a possibility that the international change will NOT effect the carriage of methanol on domestic routes. OMSA plans to meet with project officers to make sure they understand the negative impact that the IMO requirement could have if applied to operations in the Gulf of Mexico.

Double-Hull Fuel Tanks For Large OSV's

Similar to its revisions to MARPOL Annex II the International Maritime Organization also revised MARPOL Annex I at its October 2004 meeting.

The amendment to the revised MARPOL Annex I (which was adopted in October 2004 with entry into force set for 1 January 2007) includes a new regulation 12A on oil fuel tank protection. The regulation is intended to apply to all ships delivered on or after 1 August 2010 with an aggregate oil fuel capacity of 600m³ (158,500 gallons) or more. It includes requirements for the protected location of the fuel tanks (double-hull). A maximum capacity limit of 2,500m³ (410,395 gallons) per oil fuel tank is included in the regulation. The revision does have a phase in but every vessel delivered after August 2010 that carries over 158,500 gallons of fuel will require that the fuel tanks be double-hulled.

Like the Methanol rules noted above OMSA staff will meet with Coast Guard personnel to determine the enforcement posture of domestic vs. international service vessels.

Customs To Change Passenger/Crew Reporting Requirements

The Customs and Border Protection (CBP) Agency wants to shorten the reporting time required for vessels that go from a U.S. port to a foreign location. Last year, Customs began requiring vessels to report their crew and any passengers at least 15 minutes before they left a U.S. port. This was done under a program called Advanced Passenger Information Systems (APIS). It created special problems for OMSA members who carry passengers or supplies offshore to floating facilities or other structures that are not considered to be "points" in the U.S. For example, a pipelay barge is not a point under Customs regulations and any crewboat that goes from Port Fourchon to the barge is required to file APIS reports for crewmembers and any passengers that may be on board.

Last month, CBP released a Notice of Proposed Rulemaking the agency announced that it would like to require vessels departing from U.S. points to report passengers and crewmembers at least one hour before departure. The agency says this is necessary to ensure that CBP has time to make sure that no one traveling on the vessel is a terrorist threat. The impact on offshore support vessels could be to force them to wait at the dock until a report has been filed and an hour has passed before leaving for an offshore destination.

Comments were to have been due this month, but CBP has now extended the proposed rule until October. OMSA intends to comment outlining that the longer waiting period is not necessary for offshore support vessels that are not technically leaving the country, but are actually staying inside the Exclusive Economic Zone. A copy of the proposed rule and the extension can be found at WWW.Regulations.Gov and enter docket USCBP-2005-0003.



OMSA Events Remaining For 2006

OMSA Houston Golf Tournament - Monday, October 23, 2006

The fall golf tournament will be held at South Shore Harbor Country Club on Monday, October 23, 2006 at 4300 South Shore Boulevard, League City, Texas (Houston area) <http://sshcc.com>. This is a new location for OMSA and the association is excited about the course. Details will be mailed out in September. OMSA is holding a block of rooms at the nearby South Shore Harbor Conference Center at the special rate of \$115 per person. To make reservations call (800) 442-5005 ext-550.

OMSA Quarterly Meeting - Tuesday, October 24, 2006

The Association's fall meeting will be held at the South Shore Harbor Conference Center at 2500 South Shore Boulevard, League City, Texas (Houston area) www.sshr.com. Details and registration for the meeting will go out in September. As with the golf tournament, OMSA has reserved a block of rooms at the special rate of \$115 per person. To make reservations call (800) 442-5005 ext-550.

OMSA Legal Forum - Thursday, November 16, 2006

The Association is starting something new this year – a one day forum to explore legal issues affecting offshore vessel operations. Topics will include:

- The ins and outs of master service agreements
- The documentation pitfalls, such as e-mails, accident reports and AIS vessel tracking that can lose a case before it even goes to trial.
- The different laws that seaman, passengers and industrial workers may use to sue for injuries.
- The Jones Act – How to recognize vessel activities that are illegal under the Jones Act and how to finance new vessels without running afoul of the law.

The legal forum will be held at the Marriott Courtyard Convention Center in New Orleans with a special reception that night. Details will be mailed out in September, but OMSA has a small block of rooms set aside at the rate of \$159 per night. Call (800) 228-9290 and ask for the OMSA rate.

OMSA Christmas Dinner Dance - Friday, December 8, 2006

OMSA's annual Christmas dinner dance took a break for the hurricanes, but now its back! The dinner dance will return to the Hilton New Orleans Riverside. The Hilton is offering a special room rate of \$139 for participants. For reservations call (504) 584-3999.

Protecting Our Energy Resources

On July 21, 2006 the Mississippi Press published an article by OMSA Board member Mark Scairono, President of Coastal Marine Equipment. In his opinion piece Mr. Scairono lays out the need for our government to provide better security for our nation's critical offshore oil and gas infrastructure. The first step in providing that security is to support U.S. vessels working in the Gulf and the second to collect basic information on the foreign vessels operating in the Gulf, information which is required and considered necessary for the security of U.S. ports. Readers of this E-News are encouraged to also read Mr. Scairono's OpEd piece which is attached to this newsletter.



Sponsor Profile – Dolphin Marine International

Renowned around the world, wherever offshore energy resources are being discovered and explored, or service to this vital industry is required, Dolphin Marine International, and its fleet, assures that the Big Job is Done Well.

Dolphin Marine International operates a fleet of ocean tugboats that are in service and on assignment in the Gulf of Mexico, the Caribbean, and the Indian Ocean.

Dolphin's boats are performing a wide variety of operations, such as rig moving, anchor handling, pipeline construction and salvage operations, for companies involved in the maritime and energy industries.

Dolphin's ability to respond quickly was demonstrated last year when Hurricanes Katrina and Rita ravaged America's Gulf Coast. The task of getting industry back on its feet was even more meaningful because Dolphin's home base was in the middle of both storms, and every Dolphin employee and their families were impacted by these natural disasters.

But Duty came first, and even when the storms were still passing, Dolphin was on the job, tackling tough assignments and putting together the pieces of a devastated industry and a vital coastline.

Dolphin Marine International is located at 1720 South Bayou Drive in Golden Meadow, Louisiana.

Telephone 985-475-5585.

Sales and Marketing representatives are located in South Louisiana and Houston, Texas.

Their website is www.dolphinmarineinternational.com.

