



Department of Homeland Security
United States Coast Guard



**PORT STATE CONTROL
IN THE UNITED STATES**

ANNUAL REPORT 2006



REAR ADMIRAL CRAIG BONE
Assistant Commandant for Prevention
United States Coast Guard



I am pleased to present to you the 2006 Annual Port State Control (PSC) Report for the United States. The Coast Guard is strongly committed to sharing our PSC targeting methodology and publishing PSC compliance performance with the maritime community in our efforts to eliminate substandard shipping.

On our twelfth year of Port State Control in the United States, we continue to see a declining trend of detentions and major control actions imposed on foreign ships. This cumulative improvement is a testament to our mutual resolve to effectively address substandard shipping and indicates that the collective diligence of all involved parties, port State, flag State, Recognized Organizations, and vessel owner and operator efforts are paying off.



After almost three years since the implementation of the International Ship and Port Facility Security Code, the Flag State Control Action Rate fell to 0.43% in 2006, once again indicating the commitment of the maritime community to improving the security of our global trade.

Starting in 2007, the Coast Guard will begin using a new targeting matrix to identify a foreign vessel for a safety examination. After a thorough trend analysis of vessel detentions and deficiencies was completed, the Port State Control Safety and Environmental Protection Compliance (PSC) Targeting Matrix was modified to better target those vessels that pose the most risk to our ports. The new PSC Targeting Matrix can be found on page 8.

As I move on to take command of Coast Guard District Eleven on the West Coast of the United States, I would like to take this opportunity to express my thanks and appreciation to all my friends and colleagues in the global maritime community. I have found it very satisfying to work with all of you in advancing our common goals of safety, security, and oceans stewardship. I know that you will provide the same level of support and cooperation to my successor, Rear Admiral Brian Salerno.

I know you will find this report useful. As always, if you have any recommendations or concerns regarding this report, or on any facet of our PSC program, please do not hesitate to contact my staff listed on the back cover of this report.

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United States Port State Control Contact Information

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On the Front Cover

“Border Patrol” painted by James Brooksher. A Coast Guard HH-60 Jayhawk Helicopter and a 110-foot patrol boat patrol near the Blue Water Bridge, connecting Port Huron, Michigan and Sarnia, Ontario, Canada. A Canadian-flagged bulk carrier passes nearby. Image used with permission from the Coast Guard Art Program.

Chapter 1

Port State Control Overview



"The Aftermath" painted by Ralph B. Starr
Image used with permission from the Coast Guard Art Program

Highlights in 2006

Vessels Detentions Decreased

In 2006, a total of 8,178 individual vessels, from 79 different flag States, made 78,668 port calls to the United States. The Coast Guard conducted 10,136 SOLAS safety exams and 9,053 ISPS exams on these vessels. The total number of ships detained in 2006 for safety related deficiencies decreased from 127 to 110. The total number of ships detained in 2006 for security related deficiencies decreased from 51 to 35. At the same time, the number of distinct arrivals from 2005 to 2006 increased from 7,850 to 8,178.

Flag State Safety Performance Improved

Flag State performance for 2006 improved from the previous year, with the annual detention rate decreasing from 1.61% to 1.35%. The overall flag State performance, based on the 3-year rolling average, improved as well this year with the overall detention ratio decreasing from 2.00% to 1.78%. Due to their improved vessel performance, Malaysia, the Ukraine and Venezuela were removed from the Flag State Safety Compliance targeted list.

Flag State Security Performance Improved

Flag State performance for 2006 improved from the previous year, with the annual Control Action Ratio (CAR) falling to 0.43%. The Rolling Average CAR dropped to 0.80% for performance from July 1, 2004 to December 31, 2006. Due to the continuing excellent flag State security compliance performance, we will maintain the targeting Control Action Ratio at 1.50%. As a result of their improved performance, Denmark and Turkey were removed from the Flag State Security Compliance targeted list.

Class-Related Detentions Increased

Classification society related detentions increased from 2 in 2005 to 10 this year. Although this is a significant increase, we note that no Classification Societies are targeted for additional points in the three or five point categories. It should be noted that Class Societies in the zero point category (3-year average detention ratio less than .5%) accounted for 99% of the total distinct foreign vessel arrivals.

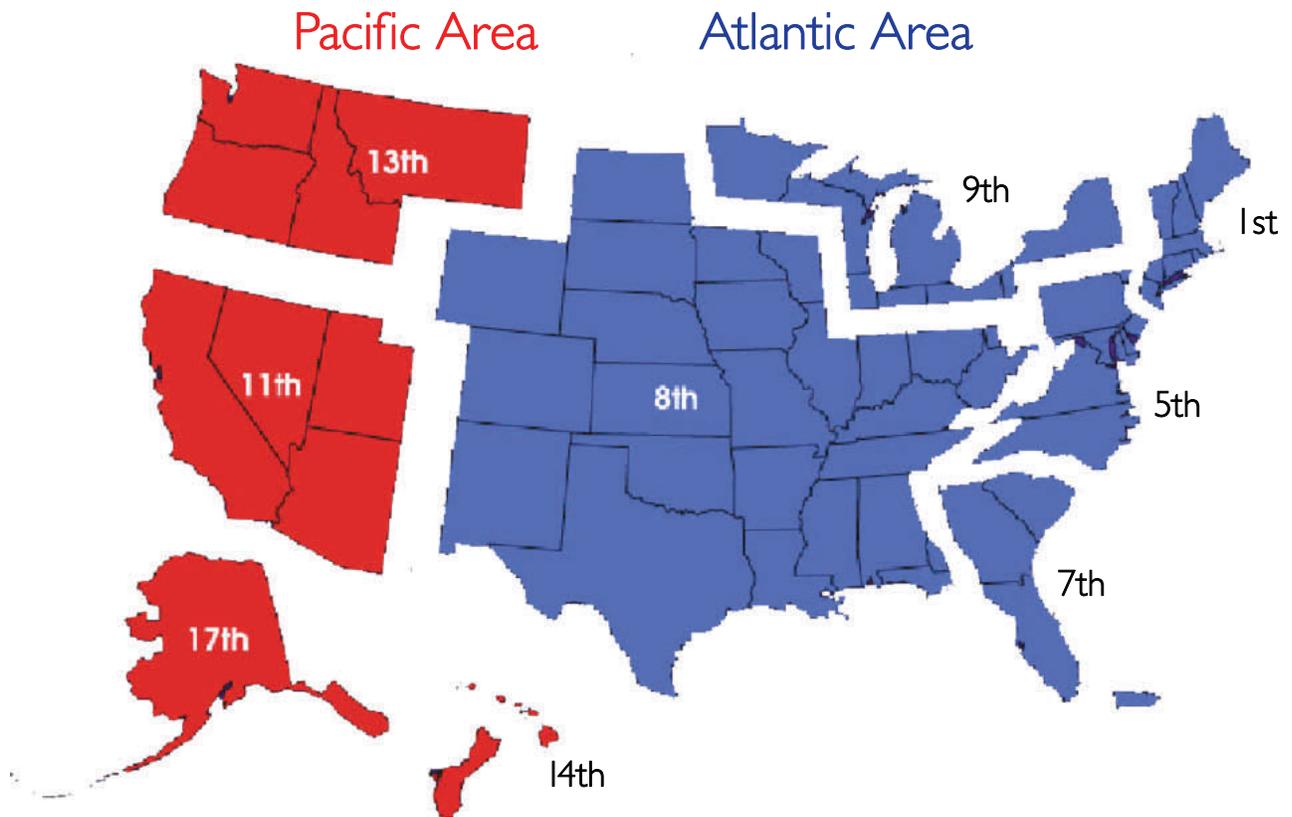
New PSC Targeting Matrix

After a thorough trend analysis of vessel detentions and deficiencies was completed, the Port State Control Safety and Environmental Protection Compliance (PSC) Targeting Matrix was modified to better target those vessels that pose the most risk to our ports. The new PSC Targeting Matrix more accurately targets those vessels shown through the trend analysis to present a higher risk of being substandard and gives credit to vessels that have a significantly better safety record. Due to their outstanding safety performance, high capacity passenger vessels will no longer receive additional targeting points on the new PSC Targeting Matrix. The Coast Guard began using this new PSC Targeting Matrix in June 2007. The new PSC Targeting Matrix can be found on page 8.

New Qualship 21 Flag States

Five new flag States are now eligible for our Qualship 21 Program and their vessels will be entered into the program automatically, contingent upon the vessels meeting other required criteria. The five flag States are the Cayman Islands, Israel, Philippines, Greece and the United Kingdom. Please accept our congratulations in qualifying for this program.

Port State Control Statistics By Region



District	Ship Visits	Safety Examinations Conducted	Detentions	Security Examinations Conducted	Major Control Actions
1st	6,742	1,284	7	1,023	1
5th	7,405	901	9	1,067	1
7th	25,539	2,058	24	1,641	8
8th	21,041	3,272	33	2,826	14
9th	2,651	217	-	142	1
11th	8,322	1,131	16	1,310	10
13th	3,542	814	16	693	-
14th	1,431	302	5	223	-
17th	1,995	157	-	128	-
Total	78,668	10,136	110	9,053	35

Port State Control Statistics by Port

Port	Coast Guard District	Safety Examinations	Detentions	Security Examinations	Major Control Actions
Anchorage, Alaska	17	124	-	85	-
Baltimore, Maryland	5	206	-	227	-
Boston, Massachusetts	1	168	1	66	-
Buffalo, New York	9	52	-	14	-
Charleston, South Carolina	7	142	2	139	-
Chicago, Illinois	9	17	-	9	-
Cleveland, Ohio	9	32	-	27	-
Corpus Christi, Texas	8	340	3	380	-
Detroit, Michigan	9	33	-	20	1
Duluth, Minnesota	9	28	-	24	-
Guam	14	72	-	54	-
Hampton Roads, Virginia	5	200	4	284	1
Honolulu, Hawaii	14	230	5	169	-
Houston, Texas	8	1,012	14	952	4
Jacksonville, Florida	7	284	6	255	1
Juneau, Alaska	17	30	-	43	-
Los Angeles, California	11	709	6	858	7
Miami, Florida	7	388	8	312	2
Milwaukee, Wisconsin	9	34	-	26	-
Mobile, Alabama	8	311	1	211	1
Morgan City, Louisiana	8	124	5	58	1
New Haven, Connecticut	1	88	-	70	-
New Orleans, Louisiana	8	1,189	9	992	8
New York, New York	1	810	4	743	1
Philadelphia, Pennsylvania	5	399	3	461	-
Port Arthur, Texas	8	296	1	233	-
Portland, Maine	1	114	1	94	-
Portland, Oregon	13	422	4	302	-
Providence, Rhode Island	1	104	1	50	-
San Diego, California	11	117	1	103	-
San Francisco, California	11	305	9	349	3
San Juan, Puerto Rico	7	511	2	366	1
Savannah, Georgia	7	241	5	353	1
Seattle, Washington	13	392	12	391	-
Tampa, Florida	7	492	1	216	3
Toledo, Ohio	9	21	-	22	-
Valdez, Alaska	17	3	-	-	-
Wilmington, North Carolina	5	96	2	95	-
Total	N/A	10,136	110	9,053	35

History of Safety and Security Performance for All Flag States

The following definitions apply to the table below:

Distinct Arrival: A vessel, greater than or equal to 500 gross tons, which called upon at least one U.S. port during the calendar year. Also includes passenger vessels carrying more than 12 passengers on an international voyage. A vessel that called upon numerous U.S. ports in 2006 only counts as one distinct arrival.

Safety Related Detention: U.S. intervention on a foreign vessel when its operational condition or crew do not substantially meet applicable international conventions to ensure the vessel will not proceed to sea without presenting a danger to the vessel, its crew, the port, or cause harm to the marine environment.

Annual Detention Ratio: The yearly sum of safety related detentions divided by the yearly sum of distinct arrivals, multiplied by one hundred.

3-Year Average Detention Ratio: The three year average performance unless lower than 1.5%

ISPS Major Control Action: A control measure (detention, denial of entry, or expulsion) imposed by the U.S. upon a foreign vessel when clear grounds exists indicating that a ship is not in compliance with the requirements of SOLAS Chapter XI, or part A of the ISPS Code.

Annual ISPS Control Action Ratio (CAR): The yearly sum of ISPS major control actions divided by the yearly sum of distinct arrivals, multiplied by one hundred.

Average ISPS Control Action Ratio (CAR): The average of the Annual ISPS Control Action Ratio data from July 2004 to December 2006. If the average is lower than 1.5%, the CAR will be set at 1.5%.

Year (Jan 1-Dec 31st)	Distinct Arrivals	Safety Related Detentions	Annual Detention Ratio	3-Year Average Detention Ratio	Major ISPS Control Actions	Annual ISPS Control Action Ratio	Rolling Average ISPS Control Action Ratio
1996	7,608	476	6.26%	-	-	-	-
1997	7,686	547	7.12%	6.64%	-	-	-
1998	7,880	373	4.73%	6.02%	-	-	-
1999	7,617	257	3.37%	5.08%	-	-	-
2000	7,657	193	2.52%	3.55%	-	-	-
2001	7,842	172	2.19%	2.69%	-	-	-
2002	7,106	178	2.50%	2.40%	-	-	-
2003	7,673	153	1.99%	2.22%	-	-	-
2004	7,241	176	2.43%	2.30%	92	1.51% ¹	-
2005	7,850	127	1.61%	2.00%	51	0.65%	0.89% ²
2006	8,178	110	1.35%	1.78%	35	0.43%	0.80% ²

¹ Average based upon 6,093 distinct arrivals from 1 July 2004 - 31 December 2004

² Port State Control program fixed the annual security performance 1.5%

Port State Control Appeal Process

For Class Related Detentions (Safety and Security)

Any directly affected party wishing to dispute the validity of or their association with a major control action should follow the appeal procedures outlined in Title 46, Code of Federal Regulations, Subpart 1.03. Affected parties must appeal any detention within 30 days of notification or must formally request from CG-3PCV-2 an extension to this deadline.

Appeals must be submitted in written format, along with mitigating information, to the following address:

United States Coast Guard Headquarters
Foreign and Offshore Vessels Division (CG-3PCV-2)
2100 2nd Street S.W.
Washington, D.C. 20593-0001

For All Other Detentions (Safety and Security)

Appeals, along with mitigating information, may also be submitted electronically to the following email address:

hqs-pf-flidr-CG-3PCV@uscg.mil

All other major control actions (those not class-related) should be appealed first to the cognizant Captain of the Port or Officer in Charge of Marine Inspection who issued the detention. If not satisfied with a COTP/OCMI decision on appeal, a request for reconsideration of the appeal may be forwarded to the District Commander. District addresses are located on the back page of this report.

If still not satisfied, final consideration of the appeal can be forwarded to the Commandant of the Coast Guard via CG-3PCV. CG-3PCV is final agency action for appeals and will consider any additional evidence not contained in the original appeal.

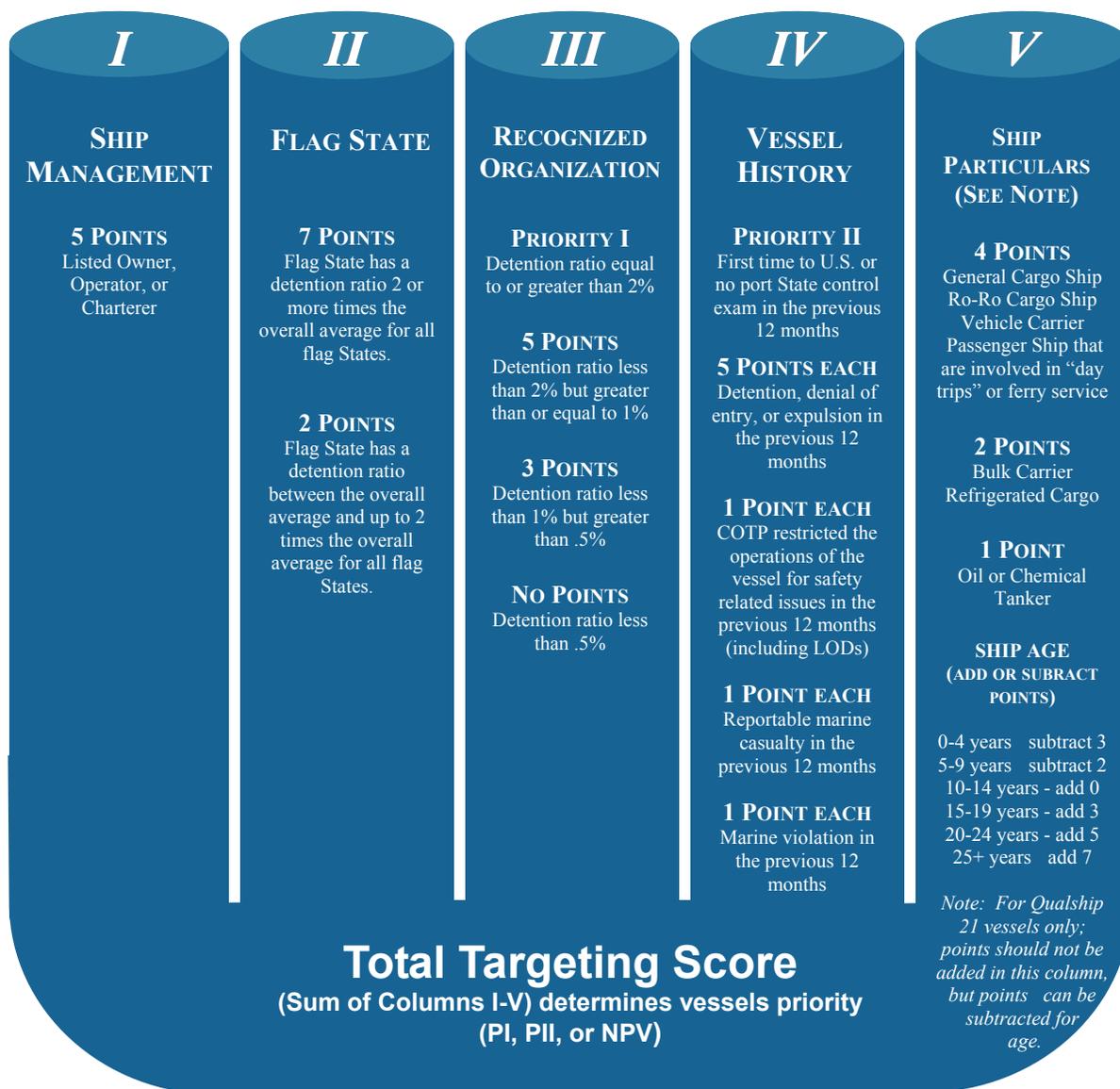
Chapter 2

Safety Compliance Performance



"Lowering Lifeboat" painted by Ferdinand Petrie
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Port State Control Safety and Environmental Protection Compliance Targeting Matrix



Priority (P)I Vessel

17 or more points on the Matrix; ships involved in a marine casualty that may have affected seaworthiness; USCG Captain of the Port (COTP) determines a vessel to be a potential hazard to the port or the environment; ships whose Recognized organization (classification society) has a detention ratio equal to or greater than 2%. Port entry may be restricted until the Coast Guard examines the vessel.

Priority (P)II Vessel

7 to 16 points on the Matrix; outstanding requirements from a previous examination in this or another U.S. port that require clearing; the vessel has not been examined within the past 12 months per column IV. Cargo operations or passenger embarkation/debarkation may only be restricted if the Sector Commander/COTP determines that the vessel poses a safety or environmental risk to the port.

Non-Priority Vessel (NPV)

6 or fewer points on the Matrix. Vessel poses a low safety and environmental risk. The Coast Guard may select and examine vessel using the Port State Control random selection process.

Downgrade Clause. If a vessel has scored either a PI or PII and has had a USCG PSC examination within the past 6 months with no serious deficiencies, the Sector Commander may downgrade the vessel to NPV. If the Sector Commander downgrades a vessel, it will be added to the pool of random examinations.

Flag State Safety Compliance Performance

The Coast Guard targets flag States and Authorities for additional Port State Control examinations if their detention ratio scores higher than the overall average for all flags, and if a flag State or Authority is associated with more than one detention in the past three years. We calculate detention ratios using three years of Port State Control data (2004-2006). Countries with only one detention in the past three years are removed from the targeting flag list.

For 2006, overall flag State performance improved, with the three-year running detention ratio declining from 2.00% to 1.78%. The tables below illustrate flag States that are on the 2007 Port State Control Safety Targeting Matrix, and flag States that are removed.

Flag States Receiving 7 points in Column II of the Port State Control Safety Targeting Matrix

	2004-2006 Detention Ratio
Brazil	8.70%
Cambodia	100.00%
Croatia [#]	4.41%
Egypt [*]	8.00%
Honduras	21.21%
Mexico	7.32%
Portugal	6.25%
Russian Federation	5.63%
Saint Vincent and the Grenadines	16.88%
* Countries not targeted last year	
[#] Countries that were on the 2 point list last year	

Flag States Receiving 2 points In Column II of the Port State Control Safety Targeting Matrix

	2004-2006 Detention Ratio
Antigua and Barbuda	2.46%
Cyprus	2.35%
Denmark [*]	2.10%
France	3.37%
Gibraltar	2.06%
Italy	2.68%
Malta	2.95%
Netherlands Antilles	3.50%
Panama	1.99%
Singapore [*]	1.81%
Sweden	2.06%
Thailand [*]	2.33%
* Countries not targeted last year	

Flag States Removed From Last Year's Targeted List

	Number of Detentions (2004-2006)	2004-2006 Detention Ratio
Malaysia	2	1.72%
Ukraine	0	0.00%
Venezuela ^{**}	1	5.88%
^{**} Countries removed because they were subject to only one detention in the previous 3 years.		

Flag State Safety Compliance Performance Statistics

Flag State [^]	Safety Exams	Distinct Arrivals	Safety Detentions	2004-2006 Detention Ratio
Algeria	-	-	-	0.00%
Antigua and Barbuda	367	271	4	2.46%
Australia	-	-	-	0.00%
Austria	4	2	-	0.00%
Bahamas	858	622	7	1.20%
Bahrain	1	2	-	0.00%
Barbados	28	20	-	0.00%
Belgium	30	20	-	0.00%
Belize	31	23	-	0.00%
Bermuda	111	66	-	0.65%
Bolivia	3	2	-	0.00%
Brazil	2	2	-	8.70%
Bulgaria	15	15	-	0.00%
Cambodia	6	4	2	100.00%
Canada	60	64	1	0.46%
Cape Verde	-	-	-	100.00%
Cayman Islands	106	81	1	0.42%
Chile	10	6	-	0.00%
China	121	122	1	0.90%
Colombia	4	4	-	0.00%
Cook Islands	31	9	-	7.69%
Croatia	26	27	1	4.41%
Cyprus	413	356	5	2.35%
Denmark	96	90	2	2.10%
Dominica	27	7	-	0.00%
Ecuador	4	2	-	0.00%
Egypt	11	8	1	8.00%
Faroe Islands	2	1	-	0.00%
Finland	1	2	-	0.00%
France	30	28	-	3.37%
Germany	150	138	1	1.12%
Gibraltar	48	39	-	2.06%
Greece	364	350	1	0.96%
Honduras	44	15	1	21.21%
Hong Kong	434	436	3	0.60%
India	56	48	-	1.41%
Indonesia	-	-	-	0.00%
Ireland	5	3	-	0.00%
Isle of Man	132	121	1	1.14%
Israel	24	17	-	0.00%
Italy	129	108	2	2.68%
Jamaica	4	3	-	0.00%
Japan	36	28	-	1.01%
Kuwait	4	4	-	0.00%
Latvia	3	6	-	6.25%
Liberia	1,067	881	11	1.12%

[^] If a country has no distinct arrivals to the United States for three consecutive years, that country is not listed.

Flag State Safety Compliance Performance Statistics (cont.)

Flag State [^]	Safety Exams	Distinct Arrivals	Safety Detentions	2004-2006 Detention Ratio
Lithuania	39	21	1	2.04%
Luxembourg	20	9	-	0.00%
Malaysia	39	35	-	1.72%
Malta	429	379	11	2.95%
Marshall Islands	605	492	6	0.75%
Mexico	28	22	2	7.32%
Myanmar (Burma)	6	7	-	0.00%
Netherlands	210	149	1	1.28%
Netherlands Antilles	69	51	1	3.50%
New Zealand	-	-	-	0.00%
Norway	415	300	1	1.13%
Panama	2,112	1,666	22	1.99%
Peru	2	1	-	0.00%
Philippines	80	78	1	0.82%
Poland	-	-	-	0.00%
Portugal	19	14	-	6.25%
Qatar	6	8	-	0.00%
Republic of Korea	92	76	1	0.55%
Russian Federation	53	40	1	5.63%
Saint Kitts and Nevis	1	1	-	0.00%
Saint Vincent and the Grenadines	128	66	6	14.29%
Samoa	3	3	-	0.00%
Saudi Arabia	6	5	-	0.00%
Seychelles	4	3	-	0.00%
Singapore	360	296	5	1.81%
Slovakia	3	1	-	0.00%
Spain	27	10	-	3.45%
Sweden	48	34	-	2.06%
Switzerland	18	11	-	2.44%
Taiwan	2	2	-	0.00%
Thailand	41	44	2	2.33%
Tonga	1	1	-	25.00%
Trinidad and Tobago	6	2	-	0.00%
Turkey	57	57	2	1.64%
Tuvalu	2	0	-	0.00%
Ukraine	4	3	-	0.00%
United Arab Emirates	9	5	-	0.00%
United Kingdom	186	163	1	0.86%
Vanuatu	94	63	1	1.31%
Venezuela	14	7	-	5.88%
Total	10,136	8,178	110	1.78%

[^] If a country has no distinct arrivals to the United States for three consecutive years, that country is not listed.

Filtering Guidelines for Relating Classification Societies with Vessel Safety Non-compliance

Coast Guard field units report all vessel detentions they impose on foreign-flagged vessels to Coast Guard Headquarters for review. Staff at Coast Guard Headquarters review the reports before forwarding to the International Maritime Organization. During the review process, the Coast Guard determines whether the vessel detention is related to the statutory activities conducted by the Classification Society on behalf of the vessel's flag State. At the end of each calendar year, the Coast Guard evaluates each Classification Society's performance and calculates their detention ratio. The Coast Guard uses the following guidelines to determine if a vessel's detention relates to a Classification Society:

If the vessel was detained within 90 days of an applicable survey (or, initial, intermediate, periodic or renewal verification for ISM) performed by a class society (or, recognized organization for ISM), the following detainable deficiencies or ISM Code non-conformities will be considered class-related:

- ◆ Serious deficiencies relating to safety equipment or arrangement (e.g., missing or improperly maintained equipment);
- ◆ Serious wastage or structural deficiencies; or
- ◆ Lack of effective and systematic implementation of a requirement of the ISM Code.

The following detainable deficiencies will be considered class-related regardless of the elapsed time from the last applicable survey:

- ◆ Equipment outdated or not serviced at the time of the last class survey (e.g. expired flares, non-serviced extinguishing systems); or
- ◆ Long standing, serious wastage or structural deficiencies.

The following deficiencies are not considered class-related:

- ◆ Voyage damage, unless other class-related deficiencies are noted during the course of the damage survey;
- ◆ Missing a small quantity of highly pilferable equipment, such as fire hose nozzles or fire extinguishers;
- ◆ Expired Certificates, unless the certificates were not issued or endorsed properly;
- ◆ Manning issues; and
- ◆ Failure of human factor issues, such as operational drills and tests.

The Coast Guard shall notify the class society or recognized organization in writing of each class-related detention and inform them of their right to appeal. The actual date of class survey, not the certificate issuance date, is used to determine the elapsed time between detention and a survey.

Classification Society Safety Compliance Performance

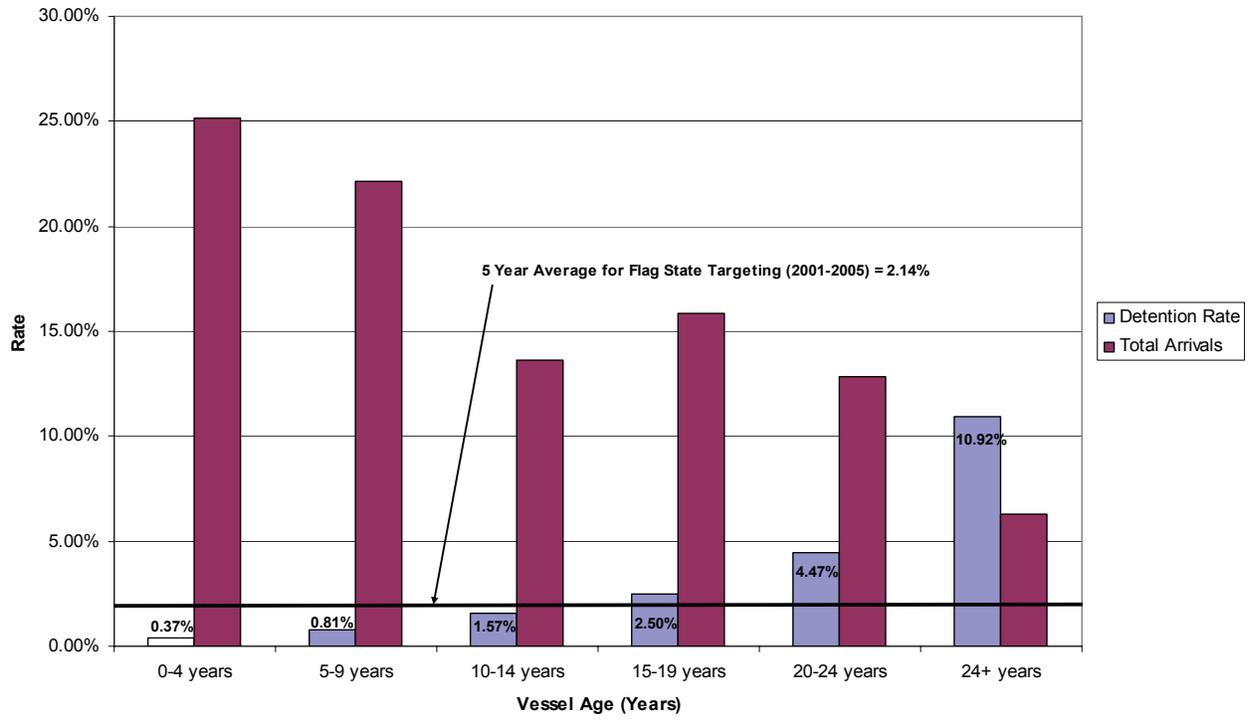
The following guidelines explain point assignment (Points Column below) as they relate to detention ratios:

A detention ratio less than 0.5%	0 points
A detention ratio equal to 0.5% or less than 1%	3 points
A detention ratio equal to 1% or less than 2%	5 points
A detention ratio equal to or greater than 2%	Priority I

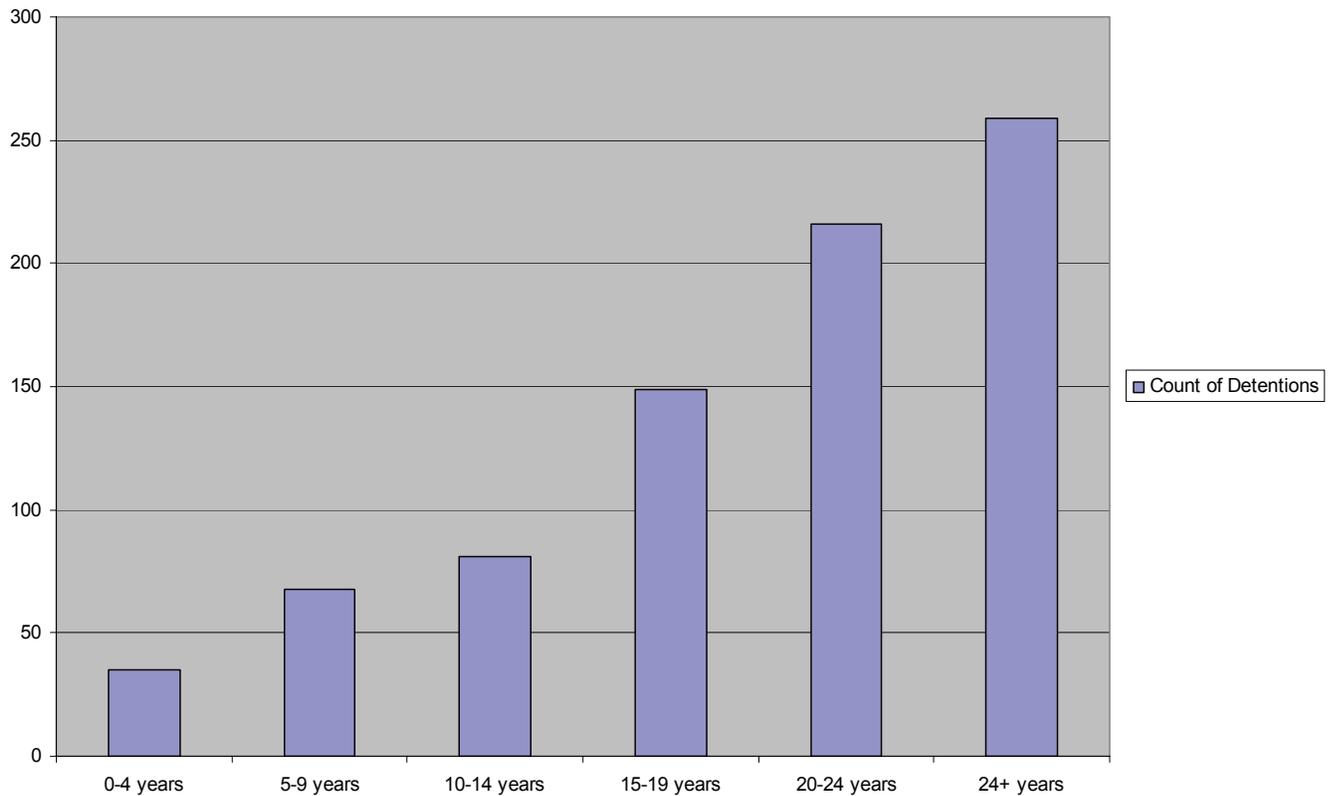
Classification Society	Abbreviation	Distinct Vessel Arrivals				Class-Related Detentions*				Ratio
		2004	2005	2006	Total	2004	2005	2006	Total	
American Bureau of Shipping	ABS	927	1,077	1,300	3,304	-	-	2	2	0.06%
Belize Maritime Bureau Inc.	-	-	1	-	1	-	-	-	0	0.00%
Belize Register Corporation	-	-	20	-	20	-	-	-	0	0.00%
Bulgarian Register of Shipping	BKR	10	11	8	29	-	-	-	0	0.00%
Bureau Veritas	BV	617	684	695	1,996	-	-	-	0	0.00%
China Classification Society	CCS	166	272	185	623	-	-	1	1	0.16%
China Corporation Register of Shipping	CR	5	23	24	52	-	-	-	0	0.00%
Classification Bureau of Indonesia	-	-	18	2	20	-	-	-	0	0.00%
Croatian Register of Shipping	CRS	26	29	34	89	-	-	-	0	0.00%
Det Norske Veritas	DNV	1,429	1,419	1,320	4,168	-	-	-	0	0.00%
Germanischer Lloyd	GL	810	933	918	2,661	1	-	-	1	0.04%
Indian Register of Shipping	IRS	10	26	26	62	-	-	-	0	0.00%
Korean Register of Shipping	KRS	153	191	187	531	-	-	-	0	0.00%
Lloyd's Register	LR	1,375	1,562	1,391	4,328	-	-	1	1	0.02%
Nippon Kaiji Kyokai	NKK	1,556	1,802	1,737	5,095	-	-	1	1	0.02%
Panama Bureau of Shipping	PBS	5	-	-	5	-	-	-	0	0.00%
Panama Maritime Documentation Service	PMDS	6	11	6	23	-	-	-	0	0.00%
Panama Maritime Surveyors Bureau	PMS	-	2	1	3	-	-	-	0	0.00%
Panama Shipping Certificate Inc.	-	-	3	-	3	-	-	-	0	0.00%
Panama Shipping Register	PSR	2	-	-	2	-	-	-	0	0.00%
Polski Rejestr Statkow	PRS	38	30	21	89	-	-	-	0	0.00%
Registro Italiano Navale	RINA	149	171	202	522	-	-	-	0	0.00%
Rinava Portuguesa	-	-	8	2	10	-	-	-	0	0.00%
Russian Maritime Register of Shipping	RS	114	144	146	404	1	1	-	2	0.50%
Turkish Lloyd	-	-	4	-	4	-	-	-	0	0.00%
Global Marine Bureau			1	1	2			1	1	50.00%
Hellenic Register of Shipping	HRS	3	21	3	27	1			1	3.70%
Honduras International Naval Survey and Inspection Bureau	HINSB	4	46	7	57	3		2	5	8.77%
Horizon International Naval Survey and Inspection Bureau	HNSB		1	8	9			1	1	11.11%
Isthmus Bureau of Shipping	IBS	3	12	2	17	1			1	5.88%
Isthmus Maritime Classification S.A.			1	1	2			1	1	50.00%
International Register of Shipping	IROS	5	9	4	18	2			2	11.11%
Phoenix Register of Shipping	PHRS	1	1	3	5		1		1	20.00%
Panama Register Corporation	PRC	1	1		2	1			1	50.00%

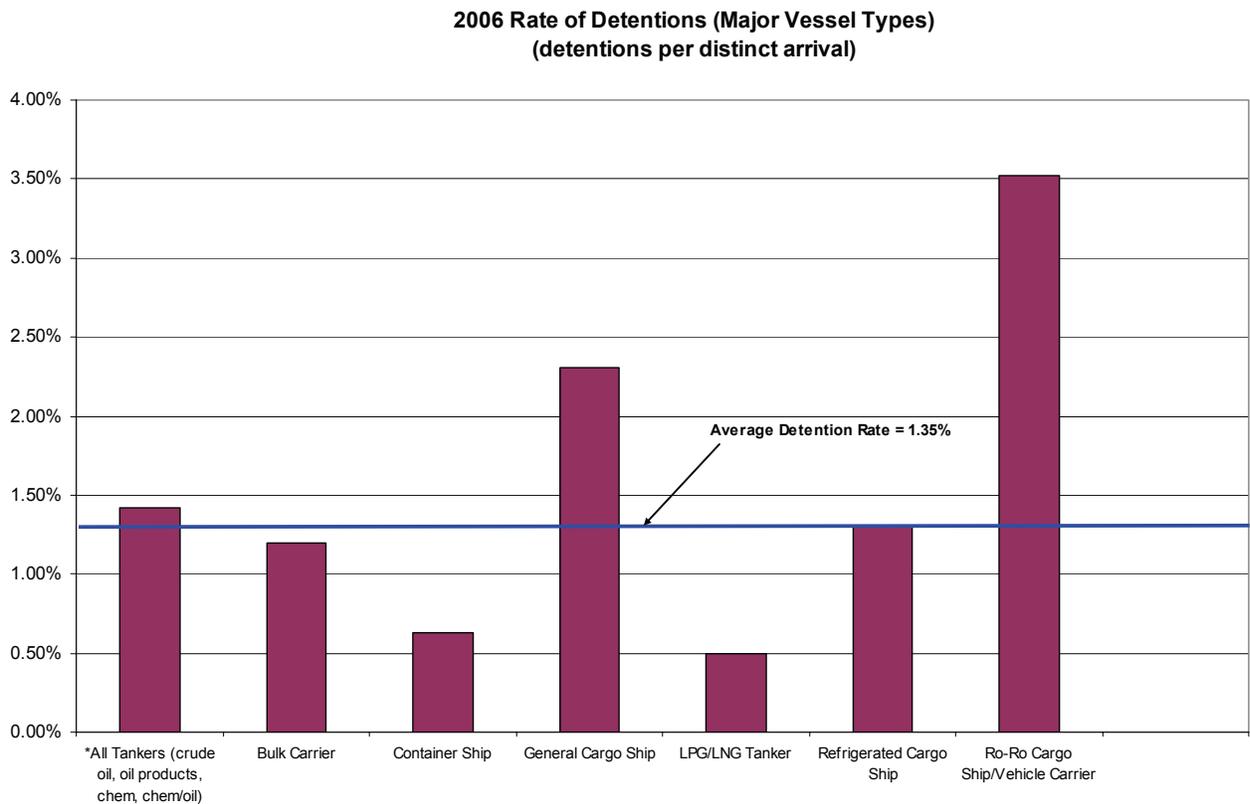
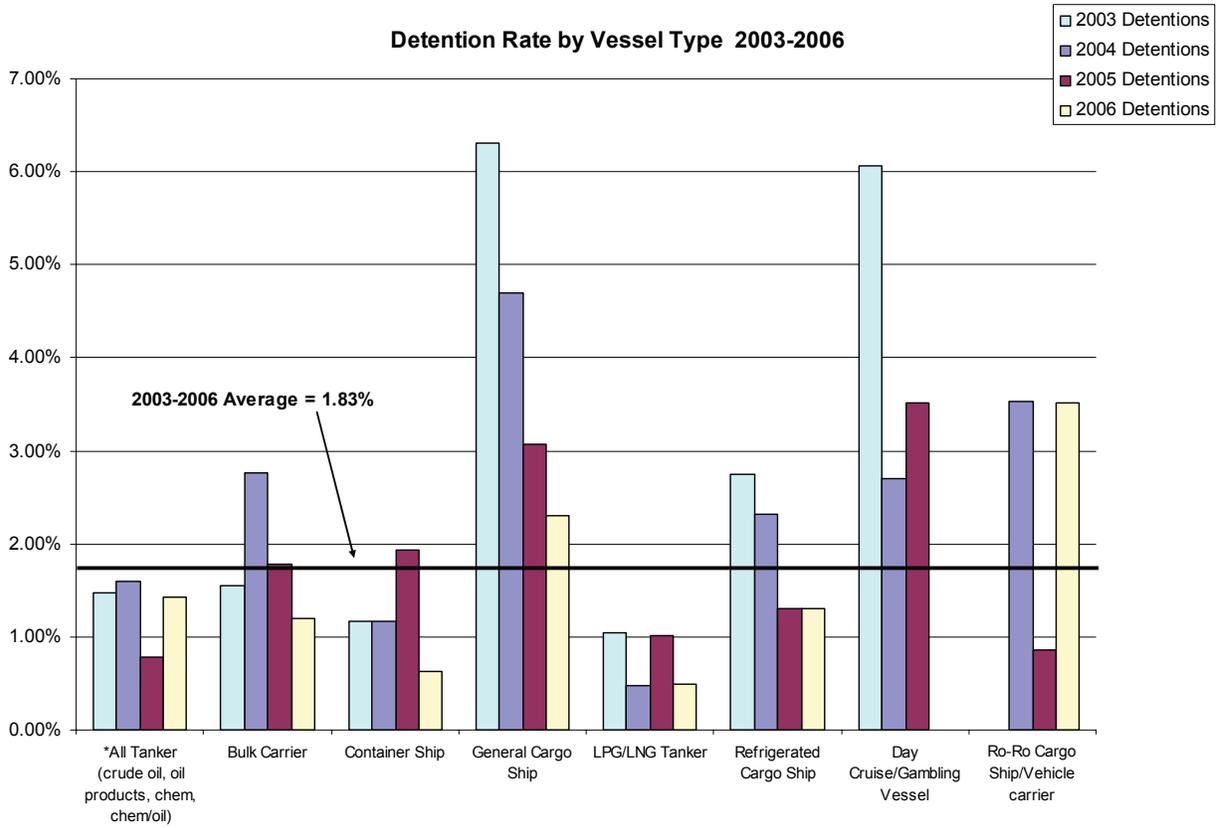
*Class-Related detentions are those detentions that were determined to have been related to class society activities.

Detentions by Age and Distinct Arrival 2001-2005
(37712 Distinct Arrivals)



DETENTIONS BY AGE OF VSL (2001-2005)





Quality Shipping for the 21st Century

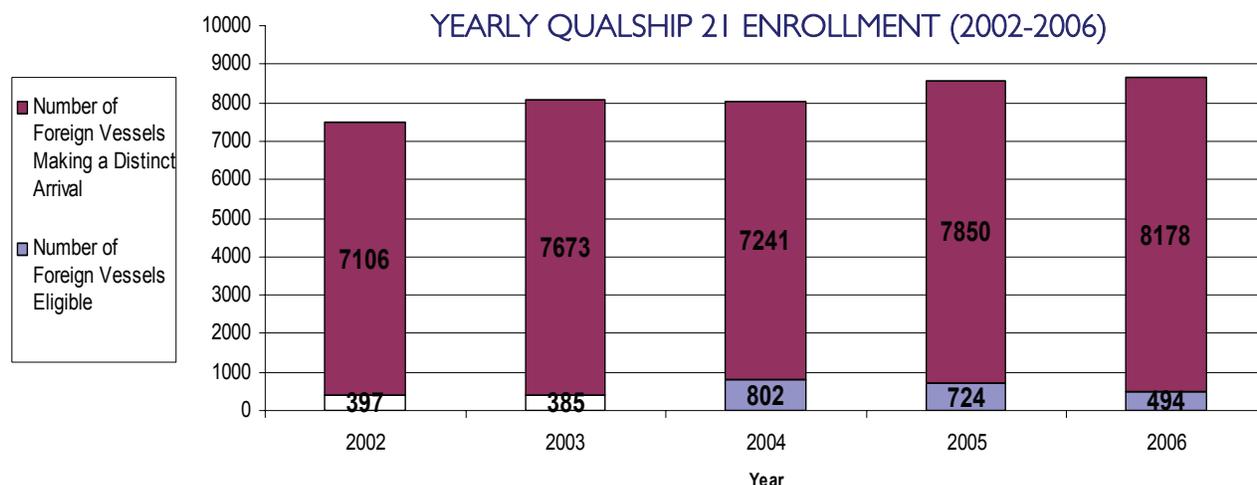
The Quality Shipping for the 21st Century program, or QUALSHIP 21, recognizes and rewards vessels, as well as flag States, for their commitment to safety and quality. To encourage maritime entities to participate, incentives such as certificates, name recognition, and a reduction in PSC examination frequency are given to participants. The criteria for inclusion are very strict and less than ten percent of all foreign-flagged ships that operate in the United States have earned the QUALSHIP 21 designation.

One of the eligibility requirements for a vessel to be enrolled into the program is for the vessels' flag State to also be qualified. Only those flag States that have demonstrated the highest commitment to the safety and quality of their vessels will be eligible and recognized as a QUALSHIP 21 flag State. Flag States must have at least 10 distinct U.S. arrivals a year and have a three-year running detention rate of 1.0% or less to qualify for the program and be recognized. The three-year running detention is determined by dividing the total number of safety and environmental IMO detentions by the number of each flag State's annual distinct vessel arrivals. The QUALSHIP 21 program evaluates each flag State for eligibility on an annual basis.

The QUALSHIP 21 program ended 2006 with an enrollment of 494 vessels, which is a decrease of 6.8% from the previous year. Initially, there were ten qualifying registries in 2006. However, after providing their IMO Self Assessment Form, the Republic of Korea became a qualifying registry. For 2007, the number of qualifying registries has increased to thirteen, this is contingent upon some registries providing us a copy of their Self Assessment Form (SAF); those marked with an "*" below require an SAF be submitted.

Qualifying Registries for 2007

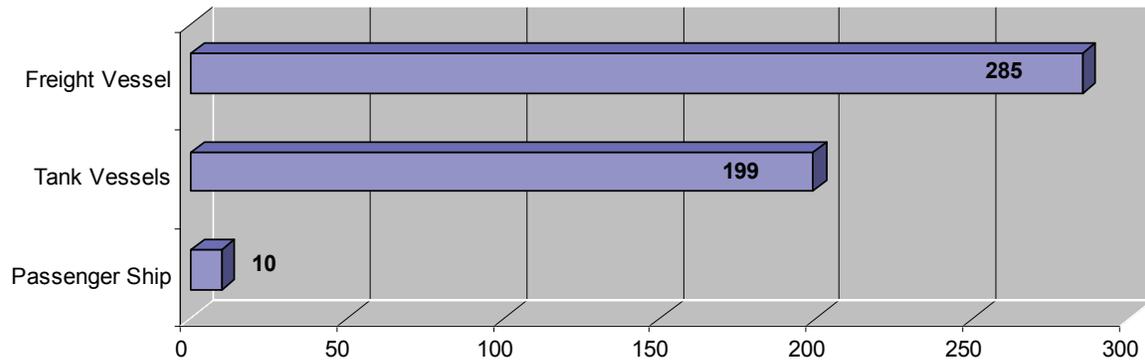
Barbados	Hong Kong
Belize	Israel *
Bermuda	Marshall Islands
Canada	Philippines *
Cayman Islands	Republic of Korea
China	United Kingdom
Greece	



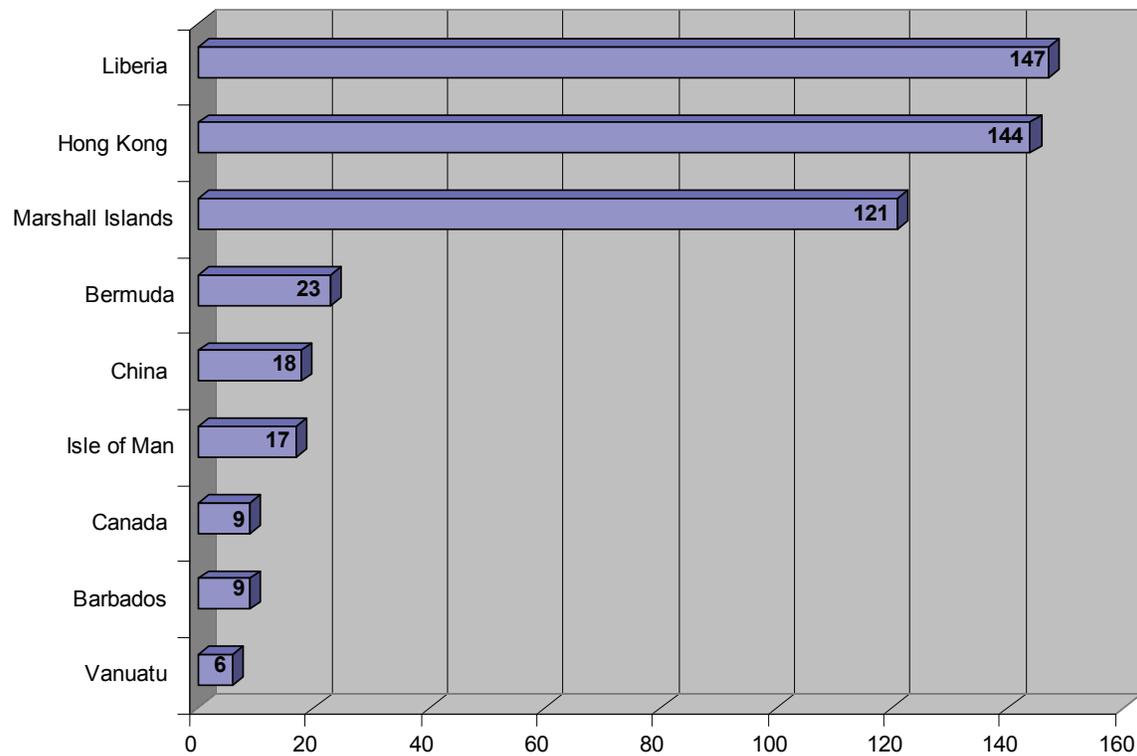
For more information the QUALSHIP 21 program, including a complete listing of qualifying vessels, please consult our website at <http://homeport.uscg.mil>

Quality Shipping for the 21st Century (continued)

Number of QUALSHIP 2I Vessels by Type
(As of January 1, 2007)



Number of QUALSHIP 2I Vessels by Flag State**
(As of January 1, 2007)



Chapter 3

Security Compliance Performance



"Suspicious Cargo" painted by Thomas G. Austin
Image used with permission from the Coast Guard Art Program

ISPS/MTSA Security Compliance Targeting Matrix

<i>I</i>	<i>II</i>	<i>III</i>	<i>IV</i>	<i>V</i>
SHIP MANAGEMENT	FLAG STATE	RECOGNIZED SECURITY ORGANIZATION	SECURITY COMPLIANCE HISTORY	PORT OF CALL HISTORY
ISPS II Owner, if new owner since last ISPS exam	ISPS II If new flag since last ISPS exam	ISPS I 3 or more RSO related major control actions in the past twelve months	ISPS I Vessel with an ISPS related denial of entry/expulsion from port in past 12 months ⁽³⁾	ISPS I Vessels having called upon, in their last 5 ports of call, ports listed in the Federal Register as not compliant with the ISPS code. Also refer to CG-3PCV monthly targeting update
5 POINTS Owner, operator, or charterer associated with one ISPS related denial of entry or ISPS related expulsion from port in the past 12 months, or 2 or more ISPS/MTSA control actions in a twelve month period	7 POINTS SOLAS Vessels ⁽¹⁾ Flag State has a CAR 2 or more times the overall CAR average for all flag States	5 POINTS 2 RSO related major control actions in the past twelve months	ISPS II If matrix score does not result in ISPS I priority & no ISPS compliance exam within the past 12 months	ISPS II If matrix score does not result in ISPS I priority above and if the port or country is designated ISPS II per the CG-3PCV monthly targeting update
	2 POINTS SOLAS Vessels ⁽¹⁾ Flag State has a CAR between the overall CAR average and up to 2 times overall CAR average for all flag States	2 POINTS 1 RSO related major control action in the past twelve months	5 POINTS Vessel with an ISPS/MTSA related detention in the past twelve months	ISPS II If matrix score does not result in ISPS I priority above and if the port or country is designated ISPS II per the CG-3PCV monthly targeting update
	7 POINTS Non-SOLAS Vessels ⁽¹⁾⁽²⁾ Flag State has a CAR 2 or more times the overall CAR average for all flag States		2 POINTS Vessel with 1 or more other ISPS/MTSA control actions in the past twelve months ⁽⁴⁾	CONDITIONS OF ENTRY PRIOR TO ENTERING U.S. For last 5 ports, list of countries and/or port facilities, as specified by Federal Register, found without effective anti-terrorism measures
TOTAL TARGETING SCORE				
<ul style="list-style-type: none"> • Vessels that score 17 points or higher are ISPS I vessels examined at sea prior to entering port. • Vessels that score between 7-16 points are ISPS II vessels are examined in port. • Vessels scoring fewer than 7 points are ISPS III vessels usually not subject to examination unless selected randomly. 				

(1) Pertains solely to flag States with more than one major control action in a 12 month period.

(2) Includes vessels from non-SOLAS signatory countries and non-SOLAS vessels from signatory countries.

(3) COTP or OCMI may downgrade a vessel's priority from ISPS I to ISPS II, or ISPS II to ISPS III depending upon circumstances surrounding a denial of entry. If denial of entry is solely from failure to provide a Notice of Arrival prior to entry into the U.S., assign 2 points.

(4) Includes vessel delays, restriction of operations, and restriction of movement related to vessel security deficiencies. Does not include routine examination of the ship or lesser administrative actions.

Flag State Security Compliance Performance

The Coast Guard targets flag States and Authorities for additional ISPS examinations if their detention ratio scores higher than the overall average for all flags. We calculated major Control Action Ratios (CARs) based upon thirty months of enforcement data . (July 2004-Dec 2006).

At the conclusion of calendar year 2005, the targeting CAR for all flags was fixed at **1.50%**. Flag States over the targeting CAR receive 2 points on the ISPS/MTSA targeting matrix. Flag States with a CAR at or above twice the targeted level receive 7 points on the ISPS/MTSA targeting matrix.

Flag States Receiving 7 points in Column II ISPS/MTSA Targeting Matrix

	2004-2006 Control Action Ratio
Bolivia	60.00%
Brazil*	5.56%
Cambodia	42.86%
Cook Islands	15.38%
Honduras	15.38%
Peru*	33.33%
Portugal*	4.00%
Russian Federation	4.07%
Saint Vincent and the Grenadines	3.90%
* Countries not targeted last year	

Flag States Receiving 2 points In Column II of ISPS/MTSA Targeting Matrix

	2004-2006 Control Action Ratio
Bulgaria*	2.56%
Cayman Islands	2.20%
Croatia*	1.56%
Mexico*	2.44%
Netherlands	1.81%
Thailand	2.48%
* Countries not targeted last year	

Flag States Removed From Last Year's Targeted List

	2004-2006 Number of Major Control Actions	2004-2006 Control Action Ratio
Denmark	4	1.50%
Turkey	2	1.23%

Flag State Security Compliance Performance Statistics

Flag State*	Security Exams	Distinct Arrivals	ISPS Major Control Actions	Rolling Average Control Action Ratio
Algeria	-	-	-	0.00%
Antigua and Barbuda	354	271	3	1.27%
Australia	-	-	-	0.00%
Austria	3	2	0	0.00%
Bahamas	734	622	2	0.49%
Bahrain	1	2	0	0.00%
Barbados	23	20	-	0.00%
Belgium	23	20	-	0.00%
Belize	26	23	-	0.00%
Bermuda	96	66	1	0.65%
Bolivia	2	2	-	60.00%
Brazil	1	2	-	5.56%
Bulgaria	10	15	1	2.56%
Cambodia	5	4	1	42.86%
Canada	32	64	-	0.00%
Cayman Islands	91	81	-	1.69%
Chile	6	6	-	0.00%
China	119	122	-	0.30%
Colombia	3	4	-	0.00%
Cook Islands	17	9	-	15.38%
Croatia	24	27	1	1.56%
Cyprus	384	356	2	0.90%
Denmark	83	90	1	1.50%
Dominica	14	7	-	0.00%
Ecuador	2	2	-	0.00%
Egypt	8	8	-	0.00%
Faroe Islands	1	1	-	0.00%
Finland	2	2	-	0.00%
France	29	28	-	0.00%
Germany	169	138	-	0.58%
Gibraltar	42	39	-	1.05%
Greece	365	350	-	0.41%
Honduras	30	15	-	15.38%
Hong Kong	430	436	1	0.54%
India	43	48	-	0.00%
Indonesia	-	-	-	0.00%
Ireland	3	3	-	0.00%
Isle of Man	114	121	-	0.00%
Israel	24	17	-	0.00%
Italy	113	108	-	0.00%
Jamaica	5	3	-	0.00%
Japan	29	28	-	0.00%
Kuwait	4	4	-	0.00%
Latvia	4	6	-	0.00%
Liberia	1007	881	3	0.42%
Lithuania	30	21	-	0.00%

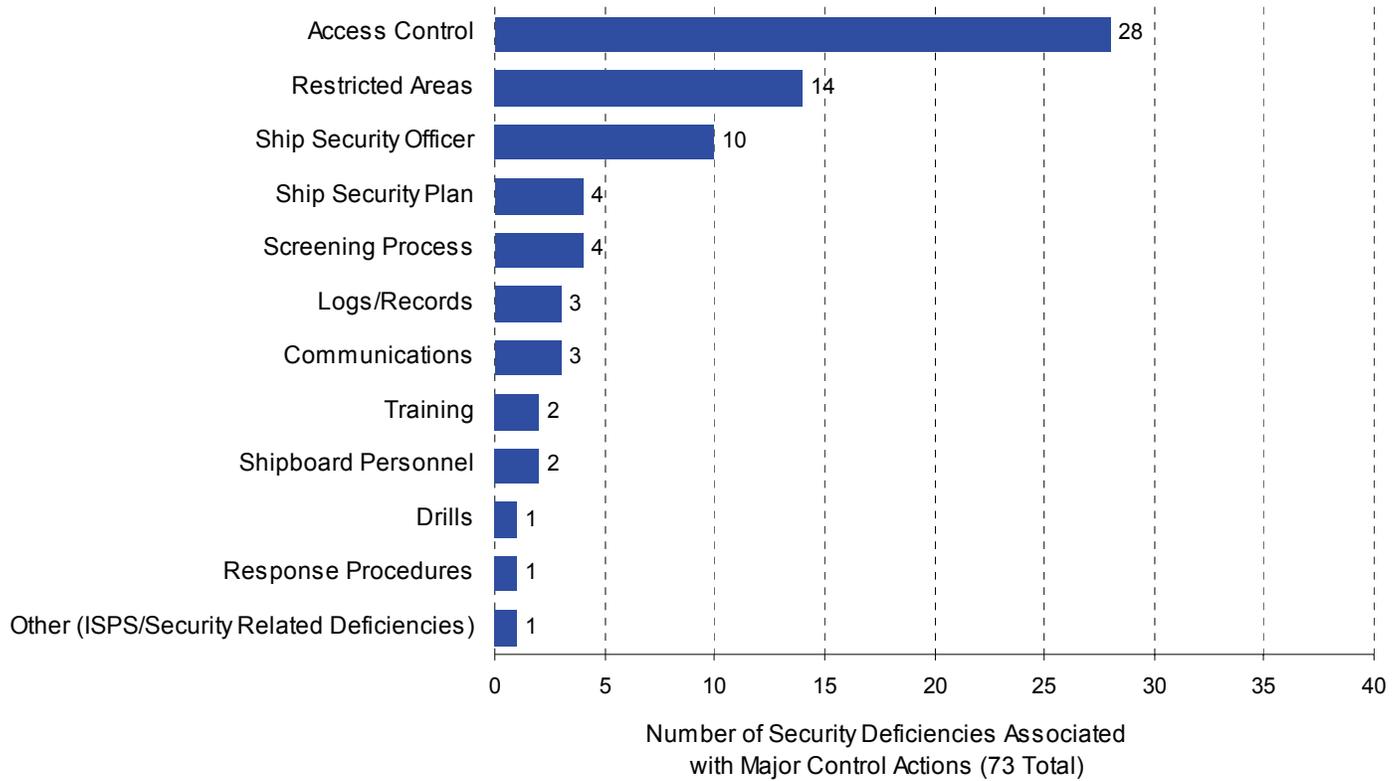
* If a country has no distinct arrivals to the United States for three consecutive years, that country is not listed.

Flag State Security Compliance Performance Statistics (cont.)

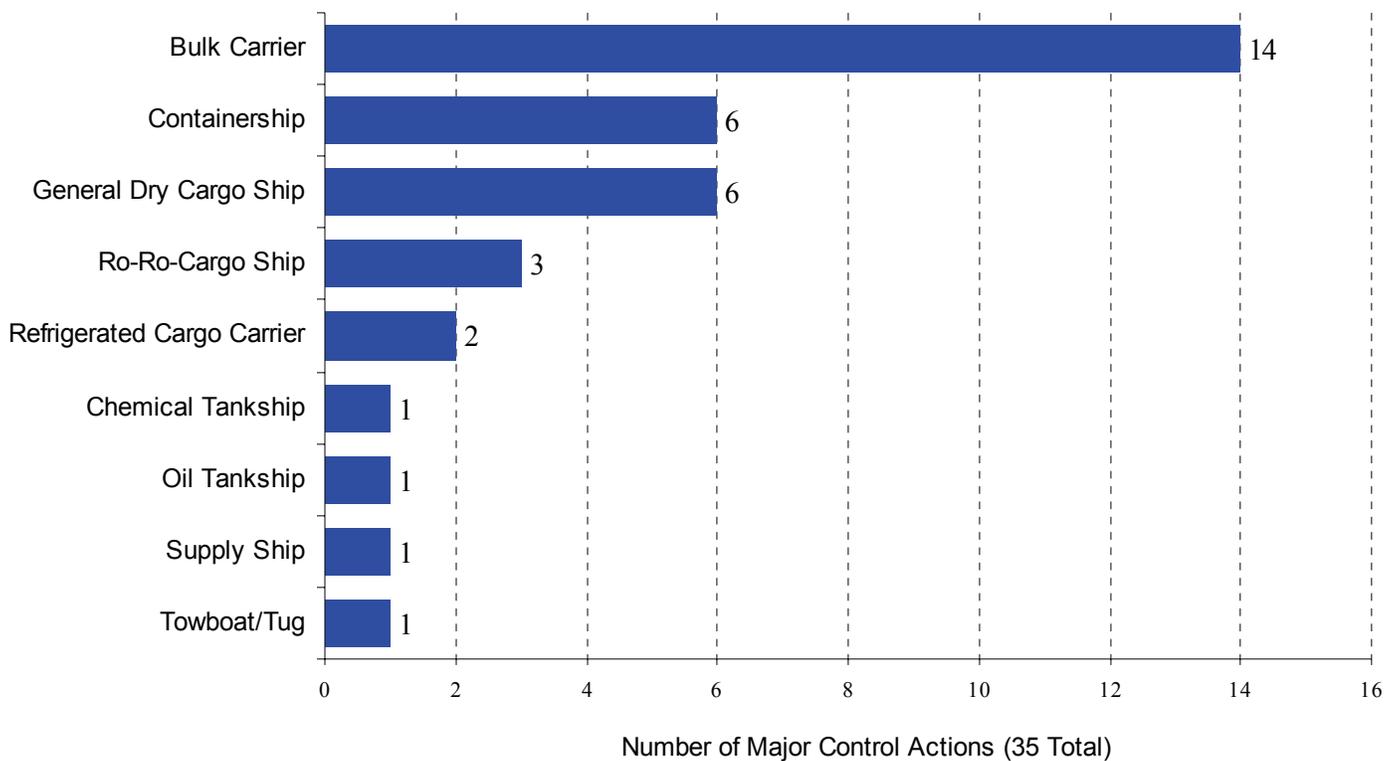
Flag State*	Security Exams	Distinct Arrivals	ISPS Major Control Actions	Rolling Average Control Action Ratio
Luxembourg	11	9	-	0.00%
Malaysia	36	35	-	0.00%
Malta	401	379	2	0.87%
Marshall Islands	560	492	2	0.51%
Mexico	15	22	-	2.44%
Myanmar (Burma)	5	7	-	0.00%
Netherlands	203	149	2	1.81%
Netherlands Antilles	71	51	1	0.82%
Norway	319	300	-	0.73%
Panama	1810	1666	9	1.07%
Peru	1	1	-	33.33%
Philippines	66	78	-	0.00%
Poland	-	-	-	0.00%
Portugal	24	14	1	4.00%
Qatar	5	8	-	0.00%
Republic of Korea	77	76	-	0.00%
Russian Federation	41	40	-	4.07%
Saint Kitts and Nevis	1	1	-	0.00%
Saint Vincent and the Grenadines	110	66	-	3.90%
Samoa	2	3	-	0.00%
Saudi Arabia	6	5	-	0.00%
Seychelles	2	3	-	0.00%
Singapore	346	296	-	0.50%
Slovakia	2	1	-	0.00%
Spain	11	10	-	0.00%
Sweden	44	34	-	0.00%
Switzerland	14	11	-	0.00%
Taiwan	1	2	-	0.00%
Thailand	43	44	1	2.48%
Tonga	1	1	-	0.00%
Trinidad and Tobago	3	2	-	0.00%
Turkey	56	57	-	1.23%
Ukraine	3	3	-	0.00%
United Arab Emirates	6	5	-	0.00%
United Kingdom	180	163	-	0.00%
Vanuatu	64	63	1	0.65%
Venezuela	8	7	-	0.00%
Total	9,053	8,178	35	0.80%

* If a country has no distinct arrivals to the United States for three consecutive years, that country is not listed.

Security Deficiencies by Category



Major Control Actions by Vessel Type



Filtering Guidelines for Relating Classification Societies and Recognized Security Organizations with Vessel Security Non-compliance

Coast Guard field units report all the major control actions (i.e. denial of entry, expulsion or ISPS detention) they impose upon foreign-flagged vessels to Coast Guard Headquarters for review. Staff at Coast Guard Headquarters review the reports for forwarding to the International Maritime Organization (IMO). During the review process, the Coast Guard determines whether the major control action is related to the statutory activities conducted by the Recognized Security Organization (RSO) on behalf of the vessel's flag State. The Coast Guard uses the following guidelines to determine if a major control action relates to an RSO:

The following deficiencies will be considered RSO-related if a vessel is subject to a major control action within 90 days of an applicable survey performed by an RSO:

- ◆ Serious deficiencies relating to security equipment or arrangement (e.g. missing or improperly maintained equipment);
- ◆ Lack of effective and systematic implementation of a requirement of the Ship Security Plan;
- ◆ Ineffective Ship Security Plan approved by the RSO; or
- ◆ SSO or Master not competent in security duties (only if these specific individuals participated in the verification survey).

The following deficiencies which would lead to a major control action will be considered RSO-related regardless of the elapsed time from the last applicable survey:

- ◆ Long-standing, serious deficiencies relating to security (e.g. records, audits, training); or
- ◆ Improper interim International Ship Security Certificate (ISSC).

The following deficiencies will not be considered RSO-related:

- ◆ Expired ISSC;
- ◆ Other crew anomalies (individual incompetence, unaccounted personnel, fraudulent documents);
- ◆ Failure of human factor issues, such as operational drills and tests.

The Coast Guard will notify the RSO in writing of each RSO-related major control action, and inform them of their appeal rights. When determining elapsed time between the major control action and the survey, the Coast Guard uses the actual date of the RSO survey instead of the certificate issue date.

The Coast Guard targets RSO's based on the number of RSO-related major control actions imposed in the past 12 months. The Coast Guard updates the targeting statistics each month. For example, on July 1st, 2007, the Coast Guard will target RSO's based on the number of RSO-related major control actions imposed since June 30th, 2006 (the previous 12 months). The number of RSO-related major control actions determines the RSO targeting score as follows:

Targeting Score	Number of RSO-related major control actions
ISPS I:	3 or more
5 Points:	2
2 Points:	1

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