

**Minutes of the Chemical Transportation
Advisory Committee Meeting
October 9, 2002**

A meeting of the Chemical Transportation Advisory Committee (CTAC) was held on Wednesday, October 9, 2002, at U.S. Coast Guard Headquarters, 2100 2nd Street, SW, Washington, DC. This meeting was announced in the Federal Register, volume 67, number 158, on Thursday, August 15, 2002.

1. CALL TO ORDER

Mr. Paul Book, of American Commercial Barge Line, LLC, and Chairman of CTAC, called the meeting to order at 9:00 a.m.

2. OPENING REMARKS

RADM Paul Pluta, Assistant Commandant for Marine Safety, Security and Environmental Protection, welcomed everyone to the meeting. As CTAC's sponsor, RADM Pluta noted the importance of CTAC and recognized the competence of its membership. His opening remarks focused on maritime security.

RADM Pluta began with a brief overview of the Coast Guard's role in maritime security. He explained that the Coast Guard's approach is to consult widely, partner aggressively, and work both internationally and domestically to achieve our nation's maritime security goals. He stressed the importance of balancing security initiatives and requirements with mobility and commerce.

RADM Pluta reminded the audience that ADM Loy gave a presentation at IMO in November 2001 about maritime security at the international level. RADM Pluta stated that this presentation set a series of events in motion. In February 2002, the U.S. presented the only paper on maritime security at an intercessional workgroup sponsored by IMO. This paper outlined 14 concepts for the world to consider as elements that could be used to improve maritime security worldwide. Most of these concepts were well received. In May 2002, the IMO Maritime Safety Committee (MSC) met and focused its efforts on maritime security. At that meeting several other countries submitted maritime security papers for consideration. IMO sponsored another intercessional workgroup in September 2002 to continue work on maritime security issues. A diplomatic conference, in conjunction with another IMO MSC meeting, is scheduled to take place in December 2002. Both will address maritime security.

RADM Pluta stated that the Coast Guard has been extremely active in pursuing maritime security initiatives domestically as well. He explained that after extensive consultation with groups like the American Waterways Organization (AWO), the Passenger Vessel Association (PVA), and others, the Coast Guard has been working diligently on producing Navigation and Vessel Inspection Circulars (NVIC) that address security plans for ports, waterfront facilities, and vessels. These NVIC's will effectively serve as rough drafts before their contents become part of the Federal Regulations.

RADM Pluta concluded his remarks by recognizing the accomplishments of the three existing CTAC Subcommittees and expressing his sincere appreciation for all of the hard work that went into each final product. He was pleased to hear that CTAC will be forming a new subcommittee to address hazardous cargo security issues. He stated that he would be looking to that subcommittee to provide constructive feedback on the Coast Guard NVIC's before they are converted to regulations.

Ms. Margaret Doyle, of Chemical Carriers' Association, Inc., asked RADM Pluta if it would be possible for the Coast Guard to develop a NVIC that would specifically apply to her clients. She also asked him if he thought that Congress, in the interest of time, would demand Federal Regulations in lieu of NVIC's.

RADM Pluta replied that he would be happy to create a NVIC for her industry and asked Ms. Doyle to provide him with a summary of the issues that she would like to see addressed. RADM Pluta then acknowledged that things are moving quickly in Congress, but he felt confident that the NVIC's would be able to run their course before any related regulations are written. He added that the Coast Guard NVIC's should not conflict with the Port Security Bill in Congress. The Coast Guard has worked with the House and Senate to create harmony between what the U.S. is doing internationally and domestically. The goal is to produce domestic regulations that would be consistent with international requirements as much as possible.

Capt. Lee Kincaid, private consultant, asked RADM Pluta to comment on his feelings about how the Coast Guard will be organized and what new security roles it will fulfill in this new era.

RADM Pluta responded by stating that the Coast Guard is preparing to move to the Department of Homeland Security (DHS). The Coast Guard has said all along that it would move if told to do so, but if it moves, it would like to remain in tact. The Coast Guard does not want to lose any of its missions. Such a move should be transparent to the general public. The Coast Guard's strength lies in the fact that it feels an obligation to satisfy all of its legal mandates. The Coast Guard will not walk away from safety and environmental protection. In fact, its focus on safety and environmental protection makes it well suited to take on security related responsibilities. The Coast Guard will create some new elements like the Maritime Safety and Security Teams (MSST) to provide surge capacity domestically to help protect U.S. ports in the face of known threats. The Coast Guard is still committed to satisfying public needs that existed prior to September 11, 2001.

Mr. Paul Lambert, of ECM Maritime Services, LLC, stated that the Coast Guard seems to be working more closely with other agencies like the FBI and INS. He asked RADM Pluta if the Coast Guard was providing these other agencies with oversight and/or training in marine affairs so that they might become involved with the marine industry less obtrusively.

RADM Pluta stated that he is not aware of any structured training that is taking place on the national level. However, he explained that many ports around the nation have their own joint terrorism task forces made up of law enforcement personnel from various agencies to deal with these issues in a communal way. He added that the Coast Guard is working together with other law enforcement agencies more now than ever before.

Mr. Book asked RADM Pluta if the facility and vessel security NVIC's will include outlines for submittal and approval processes.

RADM Pluta confirmed that the NVIC's would address processes for submissions and approvals. He added that at present, cruise ships submit their plans to the Coast Guard Marine Safety Center and cruise ship terminal submit plans to the appropriate COTP. This model may serve as a good starting point for the shipping industry.

Mr. James Prazak, of Dow Chemical Company, expressed his frustration with the sporadic use of armed guards in U.S. ports. He has found that while some ports require armed personnel to guard a particular ship, other ports do not require armed guards for the same ship. His frustration stems from the fact that Dow does not understand what triggers the call for armed guards. If Dow knew, they would take steps ahead of time to remove the problem and eliminate the need for the

guards. He asked if, at the very least, the standards for requiring armed guards could be elevated to the national level so that there was some consistency from port to port.

RADM Pluta recognized that this is a widespread concern throughout the shipping industry. He made it clear, however, that the decision to require armed guards at a port is not made at the federal level. Furthermore, the vetting of security companies is a state function, which means 50 different standards exist. Coast Guard Headquarters has researched all 50 of these standards and distributed the findings to each COTP. If a ship is required to have security guards assigned to it while it is in port for no obvious reason, the ship owner/agent should contact the appropriate COTP and make an inquiry. If this issue does elevate to the national level, perhaps the National Guard can get involved. RADM Pluta added that every COTP is responsible for chairing a Port Security Committee that includes people from the traditional Harbor Safety Committee as well as additional personnel from local law enforcement and security communities.

Capt Don Carroll, of MT Maritime Management Corp., gave several examples of his ships being delayed in port and his personnel having to remain onboard even after being relieved due to the fact that the ships were identified as meeting a "hazardous profile". He asked RADM Pluta if there was anything that ship owners/operators could do before sailing to the U.S. to eliminate the factors (other than cargo) that would cause a vessel to have a hazardous profile and, thus, eliminate costly delays.

RADM Pluta suggested again that this is a COTP issue. He added, however, that if a ship is identified as meeting a "hazardous profile", it is likely due to one or more of the three following reasons: (1) hazardous cargo, (2) concern over crew list, or (3) specific intelligence. RADM Pluta pointed out that the cruise ship and airline industries have members with clearances who are able to receive classified information and use that information to make good business decisions. He suggested that perhaps the shipping industry could benefit in the same way if some of its members were to make it through the clearance process.

Mr. James Varley, of Heidenreich Lightering Services, Inc., stated that the U.S. currently has a reputation for singling out the marine community with regard to required security measures. He noted that airline personnel are not guarded and prevented from leaving their aircraft when they land in the U.S. He asked for a consistent national standard that would enable the marine industry to take measures to avoid being subject to unexpected security-related delays and inconveniences. He added that he has already discussed these issues with his COTP and he has found that the Immigration and Naturalization Service (INS) is largely responsible for many of these delays.

RADM Pluta stated that he wasn't familiar with airline employee vetting procedures. He stated, however, that "ship jumping" is far more prevalent source of illegal immigration in the U.S. than is airline employees fleeing their aircraft. Ships have historically served as a better medium for entering the U.S. illegally. The Coast Guard has been tasked with addressing that trend. He agreed that the Coast Guard is not at the root of the problem. He appreciated the INS, but realizes that they are very decentralized and that each region operates in a slightly different way. He suggested that the creation of DHS could get the Coast Guard and INS closer to the type of consistency that Mr. Varley requested.

Mr. John Salvesen, of Odfjell Tankers, USA, stated that as the Chairman for the Working Group of Armed Guards under the Houston Galveston Navigation and Safety Advisory Committee (HOGANSAC), he would be happy to answer any questions about armed guard issues in his area. Mr. Salvesen then asked RADM Pluta if there is any relief in sight from the plethora of plans that are hitting his industry. He noted that his ships carry both oil and chemicals. Thus, in the end, his ships may have as many as seven response plans and multiple security plans, required at federal and state levels, that they need to be prepared to implement at any given time.

RADM Pluta stated that he does not know if the Port Security Bill will preempt state security measures. He added that the intent is to have one global standard (ie. IMO) to address maritime security issues as opposed to 50 different plans. At any rate, RADM Pluta added that he is aware of this concern and will work to see if there are ways to provide relief.

3. CHAIRMAN'S REMARKS

Mr. Book expressed his appreciation for RADM Pluta's time. After reviewing the meeting agenda for the day, he briefly summarized the outcome of CTAC's Meeting on October 8, 2002. He explained that the meeting, held the day before, was administrative in nature and was called so that CTAC could discuss ways to improve work distribution and outreach to the public, define steps that could be taken to increase public interest in Committee and subcommittee work, and identify future subcommittee initiatives. In addition to these issues, CTAC Members also expressed concern over the disposition of many of their work products that have been submitted to the Coast Guard over the past several years. It was noted that while some products have been put to good use by the Coast Guard, others have yet to be used in a constructive way. Mr. Bob Snyder, of RKS Inc., stated that some of CTAC's projects have taken more than 10 years to implement while others that were completed many years ago have yet to be implemented. He added that he likes the processes used to determine CTAC's workload and to complete CTAC's tasks. He suggested, however, that perhaps CTAC needs another step in the overall process to help close the loop and get CTAC's results back out into industry.

CDR James Michalowski, Chief of the Coast Guard's Hazardous Materials Standards Division, stated that these are all good comments and concerns. He pointed out, however, that even though the work that CTAC performs is of high priority to CTAC Members, it does not always make it to the top of the Coast Guard's priority list. With limited resources, issues that we are required to address by law or by court order must come first. RADM Pluta agreed and added that he is a member of the Coast Guard Marine Safety Council, along with the Coast Guard's Chief Council, Chief of Operations, and others. He explained that this Council meets periodically to review all of the regulatory work programs that are underway in the Coast Guard. He stated that the amount of work that is incomplete at the time of each meeting is enormous. He added, however, that if CTAC has a list of products that are well thought out and ready to go, we should be able to form an ad hoc group made up of CTAC and Coast Guard regulatory personnel, to decide which products are most important and require the least amount of work. We should be able to put these products in the Federal Register without too much delay.

On that note, RADM Pluta asked for a complete list (in priority order) of products that have been submitted by CTAC that have not yet been acted on. He also asked CTAC Members to think about whether or not they would be willing to step forward to help the Coast Guard make progress in the regulatory arena. He pointed out that he has less than one year before retirement. He stated that he would do what he could to help CTAC in the time that he has left.

Ms. Ann Haywood Walker, of Scientific and Environmental Associates explained that there are also many non-regulatory options available to CTAC, such as promotional speaking engagements at association meetings. She suggested that each task statement should list options for the deliverables. Some of these options may be regulatory while other may not. Regardless, the options should be tailored to reflect CTAC's ultimate goals.

RADM Pluta agreed, and added that just because a work product doesn't make it into the regulations, doesn't mean that CTAC Members can't go out and promote their work. He added that this could be included as an element of CTAC's outreach initiatives.

4. EXECUTIVE DIRECTOR'S REMARKS

CDR Michalowski, CTAC's Executive Director, began his remarks by thanking everyone for their attendance at this meeting as well as at the previous day's administrative meeting and thanked RADM Pluta for his time. He also pointed out that CTAC, while concerned about the disposition of some of their submittals, should be proud of many of the intangibles that members have provided over the years. A recent example is the consultation that they provided to the Coast Guard in the wake of the events on September 11, 2001 on cargo security issues. The information that they shared with the Coast Guard was invaluable. He went on to recognize his staff members and briefly review the meeting agenda.

5. INTRODUCTION OF COMMITTEE MEMBERS AND ATTENDEES

Mr. Book asked all Committee members and attendees to introduce themselves and give their affiliations. Enclosure (1) contains a list of all attendees.

6. SUBCOMMITTEE REPORTS

A. Prevention Through People (PTP) Subcommittee

Ms. Heidi Goebel, of ConocoPhillips, and Chair of the PTP Subcommittee, began by announcing that the Marine Operations Risk Guide is complete and copies are available for distribution. She thanked many CTAC Members and PTP Subcommittee Members for all of their efforts. She explained that the goal of the Subcommittee was to develop a simplified, qualitative risk guide for marine operations that could be easily understood and implemented. This risk guide, based on previous work done by PVA, contains a 10-step process and a non-fictional case study. She explained that the guide was successfully tested by the CTAC Overpressurization Subcommittee. Ms. Goebel briefly reviewed each of the 10 steps and then offered the following insights:

- The more you use this process, the easier it gets.
- This process works well for accident investigations – root cause analysis.
- Following this process helps to keep a group focused.
- After using this guide, the work product tends to be more thorough.

Mr. Book announced that all Committee Members should have ballots at their seats. He asked that they be returned to him by November 15, 2002. Enclosure (2) contains a copy of this risk guide. This risk guide is also available on the CTAC website at <http://www.uscg.mil/hq/g-m/advisory/ctac/ctac.htm>.

B. Hazardous Substances Response Standards (HSRS) Subcommittee

Mr. Pami Sandhu, of Marathon Ashland Petroleum LLC and Chair of the HSRS Subcommittee, began by announcing that the Assessment Guidelines for Hazardous Substance Response Team Capabilities for the Marine Environment is complete and copies are available for distribution. He then thanked a large number of individuals that have been active within his Subcommittee.

Mr. Sandhu explained that his subcommittee was a true partnership between the Coast Guard and industry. Both sides worked well together during the entire process. He mentioned that although there is not a great deal of literature available on this subject, the Coast Guard, Occupational Safety and Health Administration (OSHA), and others have published some guidance and information relevant to this issue. Thus, he made it clear that this document does not stand-alone.

After reviewing the task statement and announcing that the task is complete, Mr. Sandhu explained that his subcommittee took the original task one step further by offering recommendations for how this document can be presented to industry in a way that provides the most benefit. Specifically, the recommendations are intended to help identify response organizations that are worthy of being part of a response plan. The goal was to establish a benchmark to look at organizations in a consistent way to see if they meet the benchmark for safety, training, and competency before we can put them in a response plan. Thus, this document translates standards and best practices into something that can be used to identify acceptable response organizations.

Mr. Sandhu made it clear that there is still more work to be done. He explained that there are 82 hazardous substances listed in the proposed response regulations. Each one has unique chemical, physical, physiological, and toxicological properties that make them different. Therefore, the response approach to each substance would likely be different. While this document will help identify which organizations are best suited to respond to a specific chemical incident, it does not provide prescriptive response plans for each hazardous substance.

Mr. Book pointed out that this document could also be used to help a company evaluate its own response team internally. Mr. Sandhu agreed, but added that this document is a form of guidance. It is not a regulation. Thus, it is not intended for use as a performance document (to judge the performance of a response team). Instead it is intended to help identify teams that meet certain minimum standards.

LCDR Susan Klein, of the Coast Guard's Office of Response, explained that these guidelines are written with a "worst case" discharge in mind. She defined "worst case" as the loss of an entire vessel (and its cargo) in adverse weather.

Mr. Al Schultz, of Seacoast Maritime Services, asked Mr. Sandhu how these guidelines would be linked to the Hazardous Substance Response Plans (HSRP) regulations.

CAPT David Westerholm, of the Coast Guard's Office of Response, stated that the document produced by Mr. Sandhu and his subcommittee is simply a tool that vessel response plan writers may use for guidance when developing a mechanism to select an appropriate response company. He made it clear that the regulations will not make it mandatory for this particular document to be used to make these types of determinations. The bottom line is that the Coast Guard, as regulators, will hold plan holders accountable for having a system in place to adequately respond to an incident involving hazardous substances.

LCDR Klein added that there are a couple of ways that this document can be physically linked to the regulations that are required by OPA 90 to address hazardous substance response. First, it can be included as an appendix to the regulations. Second, it can be attached to the docket so that people can view it in advance.

Mr. Prazak suggested that perhaps a check sheet could be added to the document before it is finalized. He explained that a check sheet might make it easier for the end user to determine where their company stands within the framework of the document.

Mr. Sandhu appreciated the comment and asked anyone with suggestions for improvement to please submit those suggestions to him in writing.

Mr. Varley stated that this document could be used effectively as a contracting tool. Response companies can use the document to rate themselves and that rating, if agreed to by all parties, can then be included in future contracts.

Mr. Book announced that all Committee Members should have ballots at their seats. He asked that they be returned to him by November 15, 2002. Enclosure (3) contains a copy of this document. This document is also available on the CTAC website at <http://www.uscg.mil/hq/g-m/advisory/ctac/ctac.htm>.

C. Vessel Cargo Tank Overpressurization Subcommittee

Mr. Varley, Chair of the Vessel Cargo Tank Overpressurization Subcommittee, began by announcing that the two tasks given to his Subcommittee are complete and a final report is available for distribution. He then thanked all of those who contributed to the success of his Subcommittee.

Mr. Varley began his presentation by listing the following accomplishments that his Subcommittee has enjoyed since its inception:

- The International Chamber of Shipping (ICS) incorporated work from the Subcommittee into a revision of the Chemical Tank Ship Safety Guide.
- The Subcommittee promoted industry and public awareness. Articles were written about the Subcommittee in industry publications and bulletins.
- Two training companies are currently working on computer-based training programs that specifically address overpressurization issues.

Mr. Varley reviewed both tasks contained in the Task Statement in detail. He explained that his Subcommittee used the PTP Marine Operations Risk Guide to evaluate each one of the operations identified in the short-term task that involves the use of pressurized gas from shore. This analysis showed three areas of concern that are common to all of the operations:

1. Poor communication during pre-transfer conferences and shift changes.
2. Lack of continuous monitoring (pressure, pig movement, etc.).
3. Inadequate number of experience personnel involved in the operations.

Mr. Varley stated that prior to developing recommendations, the Subcommittee agreed to focus on the following three areas of emphasis:

1. Mechanical safeguards (regulators, orifices, pressure gauges, etc.).
2. Education and Training (understanding basic gas laws).
3. Operational Safeguards (effective written procedures).

Mr. Varley explained that several recommendations were made based on these three areas of emphasis that address ways that overpressurization can be prevented in the field. In addition, he presented the following options as means of communicating and enforcing any or all of his recommendations at the industry level:

1. Continue work at IMO. Coast Guard submitted an information paper at BLG7/inf7.
2. Create a NVIC. Although a NVIC is a recommendation (not a requirement), it could be searched for and found very easily online and could be very helpful to companies as they write and rewrite their own procedures.
3. Interpret existing regulations that are broad in nature to include overpressurization. This could be as simple as the Coast Guard issuing an interpretation letter.
4. Permanently amend existing regulations.
5. Update industry guidance (ISGOTT, Tank Ship Safety Guide, etc.).

Mr. Book announced that all Committee Members should have ballots at their seats. He asked that they be returned to him by November 15, 2002. Enclosure (4) contains a copy of this report. This report is also available on the CTAC website at <http://www.uscg.mil/hq/g-m/advisory/ctac/ctac.htm>.

7. New Initiative

A. USCG Homeland Security Issues

LTC Daniel Encinas, of the U.S. Army Corps of Engineer (USACE), is currently assigned to the Coast Guard's Port Security Directorate. His presentation focused on partnerships forged between USACE, USCG, and industry that are designed to protect the U.S. Marine Transportation System (MTS), particularly inland rivers, from potential adversaries.

He explained that the MTS is critical to our nations economic success (commerce) and it is critical to our nations defense. It is also a target rich environment for our adversaries. He provided the following statistics: The MTS consists of roughly 12,000 miles of inland rivers and contains 230 locks. Roughly 800 million tons/year of bulk cargo is moved on the MTS. Roughly 200+ million tons/year of petroleum/chemical cargo is moved on the MTS. The MTS carries roughly 15% of nation's freight. He stated that CTAC is vital to the efforts being made to protect our MTS since the U.S. chemical industry routinely transports relatively large payloads of potential weapons across sizeable targets, thus making it much easier for an adversary to inflict damage.

LTC Encinas reviewed some basic concepts of unconventional warfare, linking them to what we might expect from terrorists here in our country. He presented the attack equation as:

$$\text{Weapons material} \times \text{target} \times \text{desire} \times \text{opportunity} = \text{attack}$$

He explained that the MTS currently provides the weapons material in the form of commercial chemical cargoes, potential targets are the populated areas along transit routes, and the events of September 11, 2001 have shown that our adversaries have the desire to negatively impact our way of life. Thus, it is imperative that we deny our adversaries the opportunity to use our materials as a means and method to execute targets.

LTC Encinas stated that the USACE has undertaken several security initiatives. They have identified 350 dams and conducted risk assessments on each of them. As a result of these risk assessments, 306 dams were found to be "high risk". In doing their assessment, they considered flood control, navigation, hydroelectric, and environmental issues. He added that industry has been proactive in the security arena as well. For example, AWO has developed a Model Security Plan and several companies, on their own initiative, have drafted security plans and/or upgraded their security capabilities.

LCDR Steve Shapiro, of the Coast Guard's Port Security Directorate, briefly discussed the draft Waterfront Facility NVIC. He explained that it divides facilities into three categories based on the potential consequence of a terrorist incident:

- High – facility that handles high consequence cargoes in sufficient quantity. The recommended security measures are very prescriptive.
- Medium – facility that handles other types of hazardous cargoes regulated under 46 CFR Subchapters D and O.
- Low – non-regulated facility. This NVIC suggests some common sense security measures that should be considered.

LCDR Shapiro asked for comments on this draft document by the end of next week.

B. Subcommittee on Hazardous Cargo Security (HCS)

Ms. Alice Johnson, of PPG and chair of the new HCS Subcommittee, encouraged attendees to sign-up for the subcommittee. She explained that there would likely be many tasks ahead. This topic is broad based and affects everyone. She stated that the only way to produce good recommendations, without being too prescriptive is to get everyone involved.

Ms. Doyle expressed concern about the way the Subcommittee's task statement was written. She felt that it favored the inland community and addressed few if any deep draft concerns. She asked that the task statement be revised and then proposed two courses of action. First, she suggested having a co-chair who could focus on deep draft issues. Second, she suggested that a workgroup could be established within the subcommittee to address deep draft issues. Alice agreed and urged that we revisit the task statement as an agenda item at the subcommittees first meeting to ensure that all interests are captured.

8. Other Business

A. Fuel Cells in the Marine Environment

Dr. Stephen Allen, of the U.S. Coast Guard Research and Development Center, gave a presentation on fuel cell power and its potential use in the Coast Guard. He reviewed the basic theory behind fuel cell operation and discussed each one of the components in a fuel cell plant. He briefly discussed the various types of fuel cells that are being developed today as follows:

- Phosphoric Acid – the most common (commercial) fuel cell on the market.
- Proton Exchange Membrane – most common in automobiles.
- Molten Carbonate – known for high efficiency, good for power plants.
- Solid Oxide – Wave of the future. Currently still in R&D stage.
- Alkaline – Used by NASA.

Dr. Allen explained that fuel cells have many benefits associated with them. Some of these benefits include:

- Increased efficiency
- Reduced maintenance (less moving parts, no combustion)
- No harmful emissions
- Potable water and useful heat as by-products
- Quiet operation – reduced signatures

He made it clear, however, that with all of the benefits associated with fuel cells, they are still cost prohibitive in most cases.

Dr. Allen reported that the Coast Guard is studying a particular stationary fuel cell at CG Air Station Cape Cod as a prototype. The Coast Guard is also currently working with the U.S. Navy on a marine fuel cell powered generator. CGC VINDICATOR will serve as the test platform.

B. Vessel Vetting and Quality Assurance (Shell)

CAPT David Cotterell, of Shell International Trading and Shipping Company, Ltd., gave a presentation on Shell's vetting practices. He explained that the vetting function at Shell is centralized with offices in London, Houston, and Singapore to ensure coverage 24 hours a day and seven days a week.

CAPT Cotterell works in Shell's Shipping Division and deals primarily with governance issues. Shell runs their own fleet of oil ships and a large fleet of LNG ships. However, they do not own any chemical ships. CAPT Cotterell and 14 co-workers are responsible for vetting the ships that Shell uses, but doesn't own. This is true for ships that simply want to enter a Shell terminal as much as it is true for ships that want to be chartered by Shell.

CAPT Cotterell explained the methodology behind Shell's vetting program. Shell maintains a database of more than 6,000 vessels. Information is fed into the database from a variety of sources and it is up to CAPT Cotterell and his co-workers to accurately interpret that information before making a vetting decision. Shell looks at roughly 2,500 vessels annually.

CAPT Cotterell stated that although he and his co-workers do not bring in profits, they do add value to Shell. Recently, six different ships that were involved in catastrophic accidents at sea sought Shell's approval and failed their vetting process prior to their accidents. As a result of Shell's competent vetting staff, the company successfully avoided damage to its reputation and potentially large financial claims.

Mr. Salvesen asked CAPT Cotterell if he thought some of the inputs into Shell's database would improve to the point where there would no longer be a need for companies to employ vetting personnel.

CAPT Cotterell stated that he doesn't foresee that ever happening. The reports that serve as inputs to his database are relatively objective. Someone must be able to interpret and evaluate the reports and then make appropriate vetting decisions. To take it one step further, CAPT Cotterell doesn't see the vetting function being contracted out because if companies are to be responsible to their shareholders, they must be seen to manage their own risks.

C. Update of Coast Guard Regulatory Projects and IMO Activities

CDR Michalowski stated that the IMO MEPC Committee is meeting this week in London. The U.S. does have a delegation in attendance. He mentioned that if anyone had questions, he would be more than happy to discuss details after this meeting.

He also stated that he would produce a list of CTAC products that are pending and comment on the status of each one. He suggested that the CTAC website might be a good place to present this information. Mr. Prazak stated that we might also include this information in the "Recent Accomplishments" handout that is available at every meeting. Mr. Book liked the idea of putting this information on the web, but asked that it be routed through CTAC first.

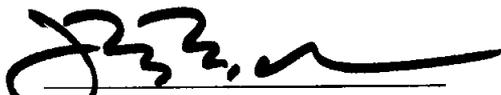
9. CLOSING

Mr. Book proposed possible dates for the next meeting. CTAC Members agreed that the next meeting would be held on April 17, 2003, at Coast Guard Headquarters.

Mr. Book closed the meeting by wishing everyone a safe travel home and thanked everyone for his or her time and efforts. The meeting was then adjourned.

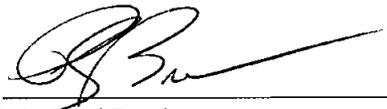
10. CERTIFICATION

We certify that these minutes are accurate and complete.



J. Michalowski, CDR, USCG
Executive Director

____ January 6, 2003 _____
Date



Mr. Paul Book
Chair

____ January 6, 2003 _____
Date

- Encl: (1) List of Attendees, October 9, 2002
(2) Marine Operations Risk Guide
(3) Assessment Guidelines for Hazardous Substance Response Team Capabilities for the Marine Environment
(4) Vessel Cargo Tank Overpressurization Final Report