



## SPECIAL ANNOUNCEMENTS

### TWIC CHANGES

TSA recently conducted a technology modernization project that has caused delays in TWIC card production & other challenges for industry. Also, there are new physical features on the card & software upgrades necessary for all TWIC readers to work with new cards. All pertinent info can be found at [www.TSA.Gov](http://www.TSA.Gov). Please inform your port stakeholders & contact CG-FAC w/ policy questions.

CG-FAC has scheduled monthly AMSC webinars to discuss current AMSC related topics. We will release a detailed schedule soon that elaborates on various topics and how to link into these webinars. The webinars are intended to foster discussions between the HQ level and field units, and build stronger communication links. Send your proposed meeting topics to: [cale.m.cooper@uscg.mil](mailto:cale.m.cooper@uscg.mil)

# Waves on the Waterfront

CG-FAC, Office of Port and Facility Compliance  
Safety, Security, and Stewardship  
for the Nation's Ports and Facilities

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### Welcome to Summer!

As the temperature rises over the nation's Capital, business journals report a modest uptick in cargo movements in our nation's ports, and this edition includes a great article on the energy boom in the Gulf Coast. That good news for business also means more work for our Coast Guard personnel doing transfer monitors, spot checks, and other operations needed to help keep our ports safe and secure. If Coast Guard or industry members have questions - or best practices—about how to address some of the emerging technologies and practices related to LNG and other industry trends on the waterfront, contact CG-FAC.

Summer also means recreational boating, and I encourage you to read the article on BUI. As your other operations permit, facility

inspectors should consider dropping by your local marina and talking with boaters and marina managers about BUI, safety on the water, and suspicious activity reporting. Your Auxiliary colleagues would be more than willing to support a few such visits.

Finally, please keep your own safety and that of your team at the forefront of all your activities. CG-FAC is distributing our "Port Operations Handbook" this month. While it primarily consists of MTSA and other waterfront related regulations, it includes some operational risk management tools that I encourage you to use to help identify and address risks to you and your crews. Keep safe.

Captain Andrew Tucci,  
CG-FAC

## *Bennis Awards* Announced!



Congratulations to all recipients, and thank you to all who provided Award packages!

See results on Page 7

# The Port Security Specialist Program

By: Mr. Robert Reimann

Coast Guard Security Specialist (Port) (GS-0080) (PSS) positions were first created in 2003 in response to the requirements of the Maritime Transportation Security Act (MTSA). Initially, a PSS was assigned to each port and later a PSSR (recovery) position was placed at strategically selected ports.

The work done by PSSs is governed by policies developed by several Headquarters offices, and throughout the years this has often caused confusion about who was responsible for the program. In the spring of 2013, CG-FAC assumed primary program management responsibility to resolve this confusion. CG-FAC will continue to coordinate with the Office of Maritime Security and Response Policy (CG-MSR), the Office of International and Domestic Port Assessment (CG-PSA), and other headquarters offices with equities in the port security and recovery programs, but members of the PSS community from all Sectors, Districts, and Areas should now consider CG-FAC their program manager.

We at CG-FAC are aware that because previous policy guidance has sometimes been unclear some units have viewed PSS billets as just another additional resource to use for various Sector missions. This has led to many PSSs being asked to perform tasks ranging from writing and reviewing Area Contingency Plans to planning Changes of Command. These additional tasks often detract from the ability of PSSs to perform the functions established by MTSA and the SAFE PORT Act, which the positions were originally funded to address. As a result, CG-FAC consistently receives reports of PSSs being overtaxed by the breadth of their responsibilities while not having sufficient time to devote to their primary mission.

To remedy this problem, CG-FAC is currently working with other Headquarters offices and FORCECOM to conduct an analysis, clarifying the roles and responsibilities of a PSS. The goal



of this process is to refocus the daily activities of PSSs on the tasks and missions their positions were funded to perform and to identify any policy or training gaps that CG-FAC can fill to make that job easier. For instance, at the 2012 HSC/AMSC conference, several PSSs expressed uncertainty about how to conduct their next Area Maritime Security Assessment. We will work to standardize PSS position descriptions across the Coast Guard, determine the tasks PSSs need to accomplish to meet their responsibilities, and develop policy, training and job aids to help PSSs perform those tasks. This analysis was just prioritized high will begin in the fall of 2014 and could take 8-12 months to complete.

We acknowledge that this is overdue, and we want to caution that it may yet take some time to complete, but CG-FAC is committed to improving program oversight for the PSS community. Your feedback is going to be critical to the success of this effort, and to that end, CG-FAC has established a PSS Workgroup to vet proposed position descriptions, training interventions and the like. Other members of the PSS community are encouraged to pass suggestions to us through your District and Area representatives. The mission PSSs perform is important to our nation's security, and CG-FAC wants to ensure that the people in these billets have the time, guidance, and training they need to successfully complete that mission.

# Hotwork Permit Procedures for Waterfront Facilities

By: MSTC Kevin Collins

Welding, cutting, and brazing are hazardous activities that pose safety and health risks to more than 500,000 workers in a wide variety of industries. The rate of fatal injury in this line of work is more than four deaths per thousand workers over a working lifetime. Welding, cutting, and brazing are addressed in specific standards for general industry, shipyard employment, marine terminals, and the construction industry.

Below is an explanation of the federal requirements contained in 33 Code of Federal Regulation (CFR) Parts 126, 127 and 154 regarding permit and notifications for conducting welding and hot-work at waterfront facilities or aboard vessels moored thereto. It does not account for local laws and ordinances nor does it account for differing procedures or additional requirements implemented by your local Coast Guard Captain of the Port (COTP).

## Applicability:

- On regulated waterfront facilities or vessels moored thereto during the handling, storing, stowing, loading, discharging, or transporting of dangerous cargoes (see 33 CFR 126.30, 33 CFR 127.617, 33 CFR 127.1603, and 33 CFR 154.735(l));
- On vessels having military explosives on board as cargo (see 49 CFR 176.415); and
- On vessels having explosives or other hazardous materials on board as cargo (see 49 CFR 176.54).

Liquefied natural/hazardous gas facilities, subject to 33 CFR 127, shall ensure that **no welding, torch cutting, or other hotwork takes place anywhere on the facility unless a permit has been granted by the COTP**. The COTP should use the Department of Homeland Security, U.S. Coast Guard Hotwork Per-



mit (CG-4201), to approve the operation(s). The authorizations should be addressed to the facility person in charge or the vessel's master or chief mate, never the contractor performing the work. The holder of the permit is responsible for ensuring all requirements on the permit are adhered to.

When issuing a permit to a facility it may be issued as a onetime operation or a continuing period of time as long as it does not exceed one year. For a continuing permit, the COTP may require notice from the facility each time a new hotwork operation is conducted. Rather than being notified each time, the COTP may include conditions for certain operations in the **Additional Directions or Orders** block on the permit. A **vessel's** permit may be issued for a single operation, or a continuing period not to exceed 30 days.

The Hot-Work Permit (CG-4201) can be found in the CG Forms library, [www.uscg.mil/forms](http://www.uscg.mil/forms) or on CGPortal. For further guidance please refer to COMDTINST M16000.11, VOL VI, or contact the Office of Port and Facility Compliance, Cargo and Facility Safety Branch (CG-FAC-2).

# The Southwest Gulf Coast Energy Boom

LT Will Fediw, MSU Lake Charles, LA  
LCDR Brandon Link, MSU Port Arthur, TX

## Coast Guard Operations and Energy Infrastructure

On any given day in the United States, hundreds of commercial vessels transit the Gulf of Mexico importing and exporting the lifeblood of the global economy: petroleum products, chemical products, and natural gas. With the current international dependency on fossil fuels, the demand for these products and the vessels that transport them has never been greater. While essential to our everyday way of life, these products carry the potential risk of catastrophic impacts to the marine environment, local infrastructure, and the lives of our citizens.

In order to mitigate these threats, the men and women of the United States Coast Guard keep a careful watch over the ever-expanding American energy infrastructure, carrying out hundreds of facility and vessel inspections, conducting security patrols and monitoring bulk liquid petrochemical transfers. The Coast Guard ensures that the very products that are crucial to our economic existence do not conversely threaten our safety, security, and economic well-being.

The Coast Guard's continuing commitment to safety, security, and the facilitation of commerce is exemplified in the management and oversight of the current Gulf Coast energy boom. Shale gas has produced an abundance of natural gas in our country, allowing us to reduce our own dependence on foreign petroleum imports while simultaneously feeding the global market through exportation of surplus gas.

## Global Market and Demand Growth

The demand for alternative fossil fuels has reached an all-time high. At the end of 2012, the nation of Qatar produced and exported almost a third [77.4 metric tons per annum (MTPA)] of the world's supply of LNG, with Malaysia and Australia following close behind (23.1 and 20.8 MTPA respectively).

Fueling the demand for these shipments, Japan and South Korea comprise 52% of the import market (87.3 and 36.8 MTPA respectively). Overall, 71% of the world's LNG is consumed in the Asia-Pacific region, yet other geographic markets around the world are poised for growth as well.

Locally, the abundance of shale gas has provided the United States the opportunity to increase its own position in the global supply market. Natural gas represents about 22% of the nation's energy consumption, which, at the domestic production rates for 2007, estimates enough to supply the U.S. for the next 90 years. Separate esti-

mates of the shale gas resource extend this supply to 116 years. Shale gas is one of the most rapidly growing unconventionally produced forms of natural gas, which is forecast to increase as a whole from 42% of total U.S. gas production in 2007 to 64% in 2020. If the projected growth in Port Arthur and Lake Charles comes to fruition as modeled, the forecasted exports alone (74.6 MTPA combined) would position the United States as the second largest supplier behind Qatar based on current standings.

## Local Expansion and Forecasted Growth

As the global market for American gas continues to rise, more and more energy firms are taking advantage of Lake Charles' and Port Arthur's geographical advantages in order to capitalize on the LNG export market opportunity.

There are currently 10 new-construction or expansion projects within Port Arthur & Beaumont. Of these projects, two will specialize in the export of LNG, five in the export of liquefied hazardous gas (LHG), while the other three bolstering the petrochemical product operations within the port, representing a total projected investment of over \$32 Billion dollars. The forecasted market impact of the LNG facilities is an estimated 42.6 MTPA, while early estimates for LHG throughput exceed 77 million barrels of LHG. These figures are expected to increase as the expansion projects near completion, allowing for more accurate production data.

With regard to vessel traffic, the Sabine-Neches Waterway currently facilitates an average of 71,000 vessel transits each year, including barge and deep-draft vessels. In 2013, Port Arthur alone logged 4,117 transits of tank ships within the Port. The additional projects could increase annual vessel traffic by almost 44%.

In the Port of Lake Charles, there are currently 11 new-construction or expansion projects, representing a total projected investment of \$40 Billion dollars. Of these projects, eight will specialize in the export of LNG or LHG, while the others reinforce petrochemical and bulk cargo operations. The global market impact of these new facilities is an estimated 32 MTPA of LNG, and an estimated 30.5 million barrels of LHG.

Currently receiving an estimated 1,359 deep-draft vessels annually, the proposed new-construction and expansion projects are expected to increase vessel traffic to 2,543 vessels per year; an 87% increase. In order to properly manage the traffic increase, the Port of Lake Charles is working with local industry representatives, the Army Corps of Engineers, Coast Guard personnel, and the Lake Charles Pilots to study the impact of the expansion.

### **The Approval Process**

The forecasted of growth is welcome, and many prospective companies are lining up to compete for their share of the profits. But getting an LNG/LHG marine terminal approved for construction is no easy task. 33 CFR part 127 outlines the requirements for submitting the appropriate paperwork to the Coast Guard: the Letter of Intent (LOI) and the Waterway Suitability Assessment (WSA). The Coast Guard submits a Letter of Recommendation (LOR) to the appropriate governing agency stating its recommendation for or against the project. The Federal Energy Regulatory Agency (FERC) is responsible for the approval of LNG terminals, and the host state's environmental protection agency reviews LHG proposals.

The Coast Guard formulates recommendations to the governing agencies by requiring the applicant to submit a WSA. The purpose of the WSA is to provide the Coast Guard a detailed analysis of the proposed facility's impact on the existing channel and port community. By how much will channel traffic increase? What types of vessels will be calling on the facility? Have all potential safety and security concerns been considered? Have mitigation strategies been formulated for any identified threats? Has the local community had the chance to voice their support or concerns regarding the project? The sheer amount of detailed information required can be potentially tedious and overwhelming for both the prospective applicant and the local Coast Guard unit; thankfully, there are published guidelines to help both parties.

NVIC 01-11, "Guidance Related to Waterfront LNG Facilities," provides instructions and requirements for the WSA. Its series of checklists and processes ease the overwhelming amount of information to navigate. The NVIC also provides submission deadlines, ensuring administrative bottlenecks don't delay the approval process.

### **Leading the Way**

Currently, MSU Lake Charles and MSU Port Arthur are leading the charge for the Coast Guard managing an unprecedented number of energy expansion project reviews. While other ports and units have already navigated the approval processes and seen several LNG/LHG facilities come to fruition, never has any unit handled the volume of WSA's currently under review for LNG/LHG export facilities. From existing import modifications to new-builds, the ports of Lake Charles, Beaumont, and Port Arthur are poised to be the epicenter of LNG/LHG export trade.

Through the volume of LOI and WSA submissions routed through these units, they have discovered several best-practices which they have shared with other Coast Guard units. Of particular note, MSU Lake Charles has worked with risk assessment firms, the local Harbor Safety Committee and Area Maritime Security Committee to create WSA "workshops." Commander Will Watson,

CO, MSU Lake Charles uses these workshops to ensure that all relevant parties in the approval process have a voice and are appropriately engaged. By conducting these sessions collectively, the parties can discuss and implement mitigation strategies, streamlining the approval process and reducing the administrative load. "The goal here" says Commander Watson "is to bring all relevant stakeholders to the table at one time over a series of coordinated sessions to ensure alignment and maximum vetting by the Port, City, State, Federal and maritime industry stakeholders." Additionally, MSU Port Arthur championed a local LHG approval process, specifically addressing LHG administrative issues not covered in the NVIC.

### **Future Challenges to Mitigate**

While the projected growth along the Southwest Gulf Coast is welcomed as a sign of prosperity, it does not come without its challenges. What happens if the LNG market caps in the near future? What happens if the demand dries up prior to completion of this new expansion, resulting in an over-saturated market? Recent studies suggest that U.S. entry into the LNG export market could trigger a plunge in prices due to oversupply. In short, there would be more LNG on the market than the consumer market could support. However, in addition to the continued use of LNG for industrial and utility applications, an increasing amount of modes of transportation are converting their propulsion systems to run on LNG, adding a forecasted 10% to the global market demand and potentially offsetting some of the product surplus.

What about safety and security? Due to the forecasted increase in commercial vessel traffic calling on the ports of Lake Charles, Port Arthur, and Beaumont, the potential risks to the Calcasieu and Sabine-Neches Waterways would logically increase. The responsibility for mitigating these threats continues to reside with the men and women of the United States Coast Guard and their industrial and governmental partners.

The frequency of transfer monitors, vessel inspections, facility inspections, and security patrols will increase proportionately with the growth of the industry. Armed escorts of certain vessels in transit and the enforcement of security zones will also increase based on the current Certain Dangerous Cargoes (CDC) escort policy. With current outyear budget forecast trending downward, staying ahead of the energy sector upswing will require some creative management on the Coast Guard's part. To ensure that we meet the demands that the impending increase in LNG production facilities and associated vessel traffic will bring will surely require creative resource management. Meanwhile, the men and women of MSU Lake Charles and MSU Port Arthur continue to lead the way, facilitating commerce while ensuring that our ports and waterways remain safe and secure.

# BUI: What's the Big Deal?

By: Mr. W. Vann Burgess

Most articles the Coast Guard has written on Boating Under the Influence (BUI) have dealt primarily with the enforcement aspect of training and successful methods of enforcement. When we see articles in boating periodicals and news outlets, we hear of the dangers and risks of BUI in general terms. On occasion we see or hear stories in the media of accidents that have occurred with serious injury or fatal results as a result of BUI. Even less common is hearing of results of a criminal BUI conviction with a significant penalty such as a lengthy prison sentence. It appears many still consider the cooler full of beer a carriage requirement.



The truth is outside of the world of boating and enforcement professionals the general public (including the boating public) is largely unaware of what the costs can be if they were to boat and drink to excess. As a very unscientific and anecdotal example, I have close family members in six different states that either boat often or at least lives very close to bodies of water frequented by boaters. Even sensitized by my choice of employment for the past 35 years, they have rarely heard about boating accidents in the news media, and hardly ever hear about the accidents caused by BUI. Boating statistics tell us they occur, so why don't we hear more about it?

Let's go back about 30 years to the early 1980s. Driving Under the Influence/While Intoxicated (DUI/DWI) had become a national epidemic on our highways. Law enforcement was doing all they could do, but were limited by the laws that were on the books. Over 21,000 people a year were dying in alcohol-related accidents. A grassroots effort began to change that with a group known as Remove Intoxicated Drivers (RID). Out of this effort grew Mothers Against Drunk Driving and Students Against Destructive Decisions. These groups brought the issue

of DUI/DWI into the national spotlight, and as a result of their efforts DUI/DWI laws have real teeth.

By 2011 DUI/DWI-related fatalities had fallen by half. Now everyone knows the risks they are taking when they drive drunk, and they know the lifelong personal and financial costs of a DUI/DWI conviction. The media tells us every day. A similar attempt at a grassroots effort was made by a group known as Boaters Against Drunk Driving, but its success was limited.

So it raises the question: Is BUI just not a big deal?

Any person who has had a loved one severely injured or lost to a boating accident involving an intoxicated operator, or any first responder to such an accident, will tell you yes, it is a big deal. These accident scenes are often horrific. The bodies of the victims are not protected by airbags or reinforced metal doors and panels. The injuries are often mortal, or at the very least life altering. I offer a few cases in point:

- An intoxicated man operating a PWC at a high rate of speed decided to pass close aboard an anchored vessel. Unfortunately he did not either see or account for the anchor

line tending forward. The mistake cost him his head.

- Another person under the influence departed a waterside bar with passengers in his 41 ft SeaRay. While operating at high speed in reduced visibility, the vessel struck a concrete pier. The operator and one of his passengers were ejected from the vessel and struck the concrete pier as well. They were killed..
- A family was enjoying a calm, clear, sunny afternoon on the family pontoon boat. A father and son were on their way back to the ramp in their bass boat after a day of fishing, both having had “a few beers” over the course of the day. The bass boat struck the pontoon boat amidships at speed, became airborne, and landed more than 100 feet on the other side. The two in the bass boat were uninjured, but an eight year old boy, his pregnant mother, and unborn baby sister were killed in front of his father, grandparents, and another sibling.

As happens with DUI/DWI-related automobile accidents, the dead or injured are often innocent victims of someone else’s bad choices. But they are not the only victims. Injuries from boating accidents often include the severe disabilities that result from a propeller strike. This can impact entire families. The mental anguish that comes from witnessing the death of a child is almost unspeakable, and often tears families apart. These impacts are devastating and last forever.

Statistics show us that 17% of all fatal accidents on the water involved alcohol as the primary causal factor. Yet with all that we know, why isn’t the average person more aware of the dangers of mixing alcohol with boating? We don’t have to wait for BUI to claim over 21,000 lives in a year as DUI did in 1980 to do something about it. BUI is a big enough deal to make people pay attention and make better decisions. We, as a community, can do more to make a difference. Please talk to your family and friends and make sure boaters in your port know the dangers of BUI. The life they save could be their own.

## *Bennis Award Winners*

CG-FAC recently announced the winners of the inaugural *Rear Admiral Richard E. Bennis Award* via ALCOAST 242-14. The Award highlights exceptional security programs and organizations that lead their community and industry in promoting the maritime security practices necessary to safeguard our nation’s marine transportation system. There were many exceptional submissions highlighting how seriously the maritime industry is regarding security! We look forward to our next opportunity to review Bennis Award submissions!

The 2013-2014 Rear Admiral Richard E. Bennis Award for Excellence in Maritime Security winners are:

- **Port Authority: Port Authority of New York/New Jersey**
- **Facility, Large: Distringas of Massachusetts, LLC**
- **Facility, Small: Dyno-Nobel Inc. – Donora, PA. Facility**
- **Company, Large: APL Co. PTE LTD (APL)**

# Nationwide Suspicious Activity Reporting (SAR) Initiative (NSI)

By Jeff Seifried



The National Maritime Intelligence-Integration Office (NMIO) in partnership with the Nationwide SAR Initiative (NSI) has developed SAR awareness training for the maritime community. This online training program was developed as part of NSI's Hometown Security Partners (HSP) sector-specific series of SAR training and is referred to as Maritime Sector SAR training.

This maritime training is the newest discipline to be

included in the suite of Hometown Security Partner Trainings and demonstrates the important role that those in the maritime sector play in protecting our homeland. The training offers instruction on behaviors and indicators that are reasonably indicative of potential terrorist and/or other criminal activity and what maritime professionals (port partners) should do if they observe such suspicious activity during their daily duties. The training includes both core messaging about the NSI and SAR, as well as several maritime-centric scenarios to help reinforce that messaging. Check out the training at: [http://nsi.ncirc.gov/training\\_online.aspx](http://nsi.ncirc.gov/training_online.aspx).

We encourage you to share this with your AMSCs/HSCs and all port partners.

The Coast Guard would like to thank all the partners of the NSI who participated in the development of this training.

## Events

### Facility Inspector/Port Security Specialist Workshop May 13-15 (Leesburg, VA)

Thank you to all attendees of our recent Facility Inspector/ Port Security Specialist workshop. An after action report is forthcoming & look forward to our post-workshop lessons learned in the next issue of Waves.

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### Joint Area Maritime Security Committee/Harbor Safety Committee National Conference August 25-27 (Philadelphia, PA)

CG-FAC is still ironing out the details for the AMSC/HSC conference that will be taking place this summer. CG-FAC will provide more details on this conference once all the details it has been finalized.

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## **CG-FAC Links**

www: <http://www.uscg.mil/hq/cg5/cg544/default.asp>

Portal: <https://cgportal2.uscg.mil/units/cgfac2/SitePages/Home.aspx>

Homeport: [Homeport](#)> [Mission](#)> [Maritime Security](#) or [Ports and Waterways](#)

TWIC (Portal): <https://cgportal2.uscg.mil/communities/twic-discussion/SitePages/Home.aspx>