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TO MEMBERS OF THE ASSOCIATION

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Dear Member:

PORT SECURITY IN THE UNITED STATES: ISPS CODE NON-COMPLIANT PORTS

The United States Maritime Transportation Security Act of 2002 mandated the United States Coast Guard (USCG) to evaluate the effectiveness of anti-terrorism measures in foreign ports as required by Chapter XI-2 of SOLAS 74, Special Measures to Enhance Maritime Security, and the associated International Ship and Port Facility Security (ISPS) Code. There are currently five countries which have not communicated information to IMO as required by regulation 13 of SOLAS Chapter XI-2. They are as follows:

- Democratic Republic of Congo
- Guinea-Bissau
- Liberia
- Mauritania
- Nauru

In addition, Albania and Madagascar have recently been removed from the list of non-compliant countries.

Security measures to be taken in non-compliant ports

All vessels visiting ports in the five non-compliant countries — with the exception of the port of Monrovia in Liberia — during their last five port calls must, prior to entering the United States after May 23, 2005, take the following actions:

- (a) implement measures in accordance with the vessel's security plan equivalent to Security Level 2 while in the ports of the non-compliant countries;
- (b) ensure each access point to the vessel is guarded and that the guards have total visibility of the exterior, both landside and waterside, while the vessel is in ports of the non-compliant countries;
- (c) attempt to execute a Declaration of Security while in the above countries;
- (d) log all security actions in the vessel's log; and
- (e) report security actions taken to the responsible USCG Captain of the Port prior to arrival in the United States.

Failure to implement these conditions of entry will result in the denial of entry into the United States.

Additional requirements in the United States for vessels trading to non-compliant ports

All vessels visiting the five remaining non-compliant countries and the two countries recently removed from the non-compliant list within the last five port calls prior to visiting the United States will be subject to increased security measures after May 23, 2005 as follows:

- Albania and Madagascar. Vessels will be subject to increased Port State scrutiny including dockside boardings prior to cargo operations until the USCG can verify their ISPS implementation.
- Democratic Republic of Congo, Guinea-Bissau, Liberia (excluding Monrovia), Mauritania and Nauru: The
 vessel must take action as described in paragraphs (a) through (e) as described above. The vessel will be



boarded at sea by the USCG to ensure that these measures have been accomplished. While in port, these vessels will be required to ensure that armed, private security guards attend each access point to the vessel. The guards will be required to have total visibility of the exterior, landside and waterside, of the vessel. The USCG Captain of the Port must approve the number and location of the guards.

 Monrovia, Liberia: Vessels must take action as described in paragraphs (a) through (e) above but will not be boarded at sea by the USCG unless other targeting factors apply, nor will such vessels be required to provide armed, private security guards while in port in the United States.

Your Managers are aware that some of the Club's Members trade to and from West Africa. Members affected by these new requirements are urged to take all proper precautions to prevent their vessels being unduly delayed, or barred, from entry to the United States by reason of them.

The US Coast Guard Port Security Advisory (2-05) can be found at the following website:

http://www.uscg.mil/hg/g-m/mp/pdf/PSA2-05rev1.pdf.

Yours faithfully,

Joseph E.M. Hughes, Chairman & CEO

Shirlowners Claims Bureau, Inc., Managers for THE AMERICAN CLUB