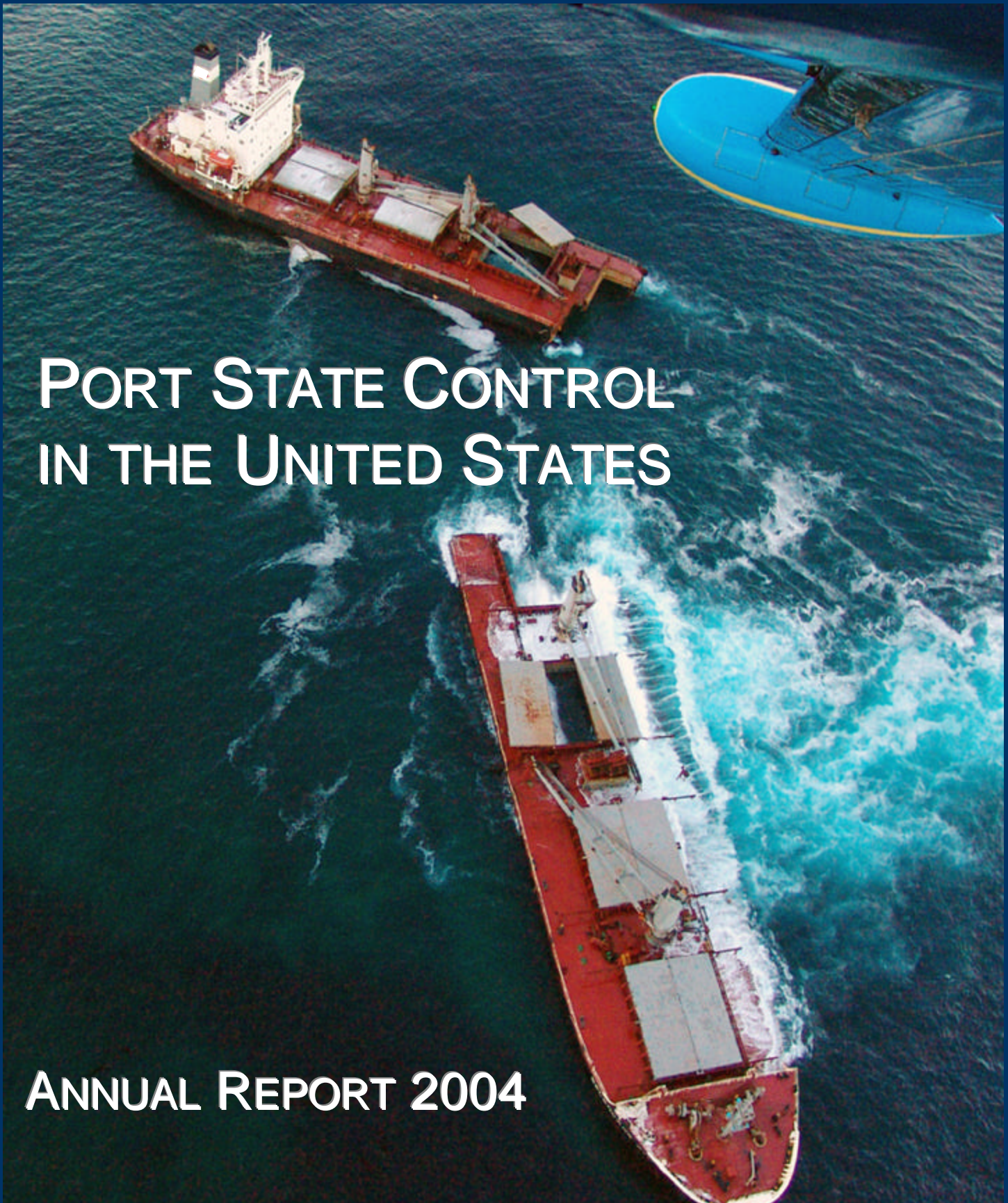




Department of Homeland Security
United States Coast Guard



**PORT STATE CONTROL
IN THE UNITED STATES**

ANNUAL REPORT 2004

I am pleased to present the 2004 Annual Report on Port State Control for the United States. This annual report marks the seventh issue and provides a general overview of the developments and activities of Port State Control in the United States.

This report includes Port State Control examination data from calendar year 2004 and provides key statistics related to enforcement of the regulations under the International Convention for the Safety of Life at Sea (SOLAS), the International Convention for the Prevention of Pollution from Ships (MARPOL), and the International Ship & Port Facility Security (ISPS) Code.

The international maritime community demonstrated a significant level of compliance with the ISPS Code on the July 1st implementation date and the overall rate of related vessel control actions continues to trend downward month to month. Prior to ISPS implementation, there was a great deal of speculation that the world's merchant fleet was not prepared for ISPS. However, with the usual dedicated professionalism, the vast majority of maritime stakeholders rose to the occasion and exceeded all expectations. In the Coast Guard, when someone does well, we extend a 'Bravo Zulu' to celebrate success as a result of hard work and determination. In the spirit of Coast Guard tradition, I tip my hat and extend a 'Bravo Zulu' to the maritime community for their overall cooperation and determination to enhance the security of our vessels and ports through successful implementation of the ISPS Code.



We continue to work towards PSC harmonization globally through our participation at the International Maritime Organization (IMO) and other Memorandums of Understanding (MOUs). I am a firm believer in the IMO and we have recently worked hard to finalize the Voluntary Model Audit Scheme. The United States plans to move forward on this initiative and we are diligently pursuing the possibility of participating in a joint audit in the near future. I feel that the Model Audit Scheme will help to harmonize procedures worldwide and gain consistency for enforcement provisions. Along those same lines, we recently reached an historical MOU participation benchmark this year, by having participated as observers at the Viña del Mar Agreement, Paris MOU, Tokyo MOU, and Mediterranean MOU. Our participation in these venues enables us to improve our own PSC activities while simultaneously providing support and lessons learned to other countries. Our combined efforts promote harmonization of PSC procedures to reach the common goal of eliminating substandard ships globally.

Port State Control in the United States recently celebrated its tenth anniversary since Congress empowered the Coast Guard to carry out the PSC mission. The original PSC mission, which has primarily consisted of the enforcement of international laws contained in SOLAS, Loadline Convention, and MARPOL has matured considerably through the use of risk based targeting. We have applied the same concept to our enforcement of the ISPS Code. We successfully trained our existing PSC workforce to carry out the compliance and enforcement mission of the ISPS Code using targeting criteria which are similar to the well proven targeting that has been used for 10 years with our safety mission. This report presents targeting information for the ISPS Code, which we will re-evaluate annually in parallel with our Port State Control targeting information.

I think you will find, as I did, that the information contained in this report is quite useful and a good demonstration that Port State Control really works in eliminating substandard shipping.

REAR ADMIRAL T.H. GILMOUR
Assistant Commandant for Marine Safety
Security and Environmental Protection
United States Coast Guard

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Background on the U.S. Port State Control Program

The Coast Guard began inspecting foreign-flagged tank and passenger vessels nearly 40 years ago. However, the Coast Guard did not closely scrutinize foreign-flagged freight ships until in 1994, when directed by Congress to develop a formal Port State Control program.

Our program systematically identifies and eliminates substandard shipping (all vessel types), using International protocol to prevent substandard ships from sailing until conditions meet minimum International standards. Our program uses vessel targeting, boardings, and enforcement procedures and policies to effectively address risks associated with substandard shipping.

With approximately 7,600 foreign-flagged ships making over 60,000 U.S. port calls each year, it is impossible for the Coast Guard to examine each vessel at every port call. As a result, the Coast Guard uses risk-based decision tools to identify and manage the risk posed by arriving vessels.

The terrorist attacks on the U.S. in September 2001 catalyzed significant security enhancements to procedures governing our safety-oriented Port State program. The Coast Guard created a centralized vessel arrival center to receive vessel arrival notification 96 hours in advance, vice 24 hours. The Coast Guard transitioned into the Department of Homeland Security and missions were streamlined internally and externally with sister government agencies. Port State Control boarding officers combined with armed Law Enforcement teams to escort vessels. Also, mariner screening increased to ensure vessel crew members and passengers do not pose a homeland security threat to the United States.

In November of 2002, the U.S. passed domestic legislation entitled the "Maritime Transportation Security Act of 2002" (MTSA 2002), and in December of 2002, the International Ship and Port Facility Security Code (ISPS) was adopted by the IMO. MTSA 2002 and the ISPS Code represent a significant expansion of focus for port State activities and are incorporated into our Port State Control program to the fullest extent possible. Our program seamlessly incorporates and emphasizes compliance with security standards in addition to safety and environmental compliance standards.

Protecting our maritime transportation infrastructure in conjunction with ensuring smooth and efficient shipping to and from the U.S. is our primary focus as we move forward implementing these security standards.



Port State Control Highlights in 2004

Vessels Detentions Increase

In 2004, a total of 7,241 individual vessels, from 81 different flag States, made 72,178 port calls with 11,054 SOLAS safety and 6,087 ISPS exams conducted. The total number of ships detained in 2004 increased 13.1% from 153 to 176. At the same time, the number of distinct arrivals decreased 5.7% from 7,673 to 7,241.

Flag State Safety Performance Declined

Flag State performance for 2004 dropped from the previous year, with the annual detention rate increasing from 1.99% to 2.43%. The overall flag State performance, based on the 3-year rolling average, decreased as well this year with the overall detention ratio rising from 2.22% to 2.30%. Because of improved vessel performance, Algeria, Bolivia, Cayman Islands, Lithuania and Republic of Korea were removed from the Flag Administration targeted list for calendar year 2005.

Class-Related Detentions Decreased

Classification society related detentions decreased from 14 to 10 this year. Classification society performance continues at an exceptionally high level. Classification societies in the zero point category (3-year average detention ratio less than .5%) accounted for 97% of the total distinct foreign vessel arrivals.

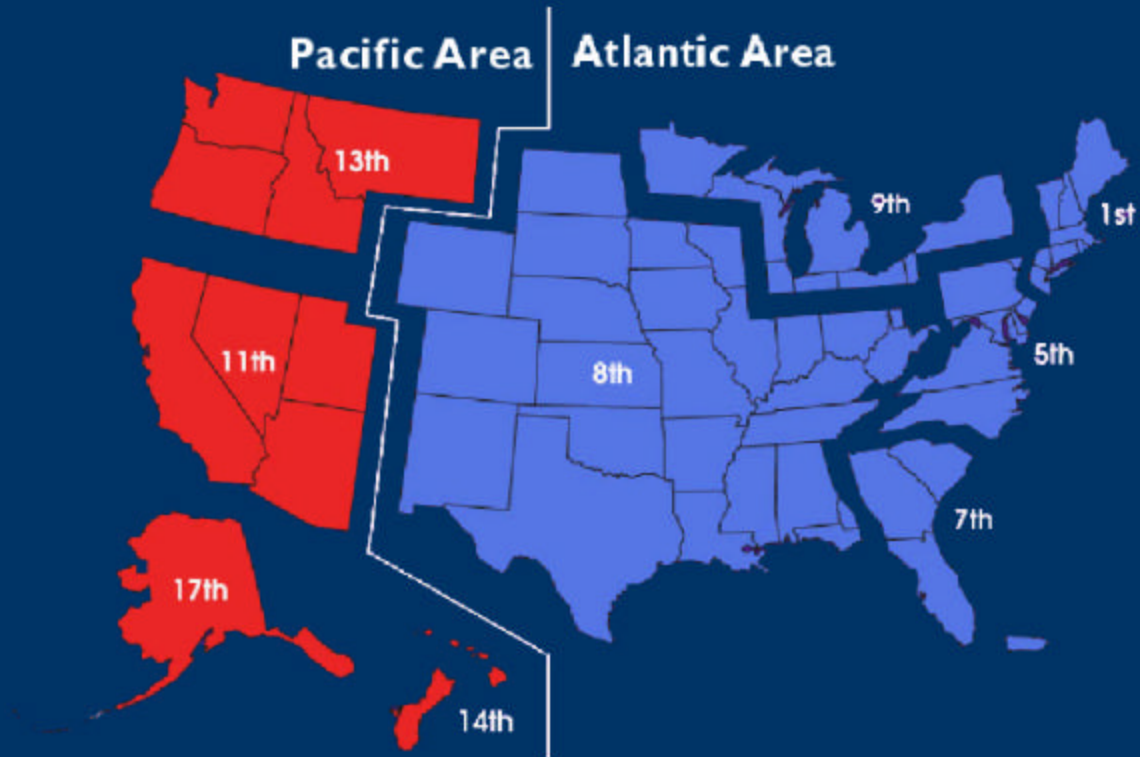
ISM and ISM Related Deficiencies

Detentions with at least one ISM related deficiency decreased slightly from 55 to a total of 51 detentions this year. ISM deficiencies represent 14.4% of the total deficiencies issued on detained vessels. The most common ISM deficiencies stemmed from failures to follow shipboard safety and environmental policies and shortfalls in company related obligations. Effective implementation of ISM is a proven tool that improves compliance with all applicable standards.

Successful Implementation of the ISPS Code

Two factors influenced the successful implementation of the ISPS Code. First, the maritime industry successfully prepared for ISPS enforcement and compliance before July 1st, 2004. Secondly, U. S. Coast Guard ran an ISPS pre-enforcement campaign from April 1st to June 30th 2004 to train our inspectors and alert maritime interests of potential maritime security shortfalls before July 1st, 2004. These two factors combined kept the overall percentage of major control actions in July 2004 to 2.5%; a percentage significantly lower than international expectations. Through U.S. cooperation and alignment with each Flag State, ISPS performance steadily improved and the overall percentage of major control actions dropped to 1.5% by the end of December 2004. This report presents the countries that can expect an increased level of Port State Control ISPS examinations in calendar year 2005 because their performance is below the overall average during the period from July 1st to December 31st 2004. The Coast Guard assesses and updates Flag State compliance annually based on historical ISPS performance. This report contains no owner, operator, charterer, or Recognized Security Organizations (RSOs) performance information, because the results are calculated monthly.

Examinations and Detentions By Region



District	Ship Visits	Safety Examinations Conducted	Detentions	Security Examinations Conducted	Major Control Actions
1st	6,945	1,428	15	607	2
5th	6,535	1,223	17	690	11
7th	21,226	2,082	58	972	21
8th	21,246	2,858	56	1,898	44
9th	1,899	401	1	168	1
11th	7,872	1,317	15	831	9
13th	2,988	1,154	6	621	2
14th	1,367	340	5	170	1
17th	2,100	251	3	130	1
Total	72,178	11,054	176	6,087	92

Examinations and Detentions By Port

Port	Coast Guard District	Total Arrivals	Safety Examinations	Detentions	Security Examinations*	Major Control Actions
Anchorage, Alaska	17	464	105	3	87	1
Baltimore, Maryland	5	1,851	357	5	190	2
Boston, Massachusetts	1	767	215	-	54	-
Buffalo, New York	9	188	244	-	115	-
Charleston, South Carolina	7	1,880	139	1	86	-
Chicago, Illinois	9	281	19	-	2	-
Cleveland, Ohio	9	476	21	-	8	-
Corpus Christi, Texas	8	1,729	369	10	221	2
Detroit, Michigan	9	264	23	-	6	-
Duluth, Minnesota	9	335	48	-	24	-
Guam	14	224	61	3	34	1
Hampton Roads, Virginia	5	2,300	299	4	174	1
Honolulu, Hawaii	14	1,143	279	2	136	-
Houston, Texas	8	9,921	962	22	558	15
Jacksonville, Florida	7	2,443	205	6	110	5
Juneau, Alaska	17	1,295	128	-	36	-
Long Island, New York	1	311	50	1	42	-
Los Angeles, California	11	5,044	868	2	595	3
Miami, Florida	7	7,431	576	20	226	7
Milwaukee, Wisconsin	9	155	18	-	7	1
Mobile, Alabama	8	1,773	290	7	198	2
Morgan City, Louisiana	8	640	136	-	63	-
New Orleans, Louisiana	8	5,208	879	17	750	25
New York, New York	1	4,836	948	10	419	2
Philadelphia, Pennsylvania	5	2,048	433	6	270	8
Port Arthur, Texas	8	1,975	222	-	108	-
Portland, Maine	1	490	129	3	43	-
Portland, Oregon	13	1,076	448	3	280	1
Providence, Rhode Island	1	353	86	1	49	-
Puget Sound, Washington	13	1,912	706	3	341	1
San Diego, California	11	446	98	1	44	2
San Francisco, California	11	2,382	351	12	192	4
San Juan, Puerto Rico	7	5,557	609	17	257	4
Sault Ste Marie, Michigan	9	255	7	-	3	-
Savannah, Georgia	7	2,554	237	14	144	3
Tampa, Florida	7	1,361	316	-	149	2
Toledo, Ohio	9	133	21	1	3	-
Valdez, Alaska	17	341	18	-	7	-
Wilmington, North Carolina	5	336	134	2	56	-
Total	N/ A	72,178	11,054	176	6,087	92

* New column

Vessel Detentions by Year (Safety and Security)

Year	Distinct Arrivals	Safety related Detentions	Annual Detention Ratio	3-year Average Detention Ratio	Major ISPS Control Actions	Annual ISPS Control Action Ratio	3-year Average ISPS Control Action Ratio
1995	7,846	514	6.55%	-	-	-	-
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%	-

Table Definitions

Year: For safety related detentions, the period between January 1st and December 31st. For major control actions, the period between July 1st and December 31st.

Distinct Vessel Arrivals: Number of ships greater than or equal to 500 Gross Ton, calling upon at least one U.S. port in 2004. A vessel that makes 12 U.S. port calls in 2004 is counted as 1 distinct arrival, not 12.

Safety Related Detentions: Total number of safety related detentions in 2004.

Annual Detention Ratio: Equals total detentions during 2004 divided by distinct arrivals for 2004 multiplied by 100.

3-year Average Detention Ratio: Three year Annual Detention Ratio Average.

ISPS Major Control Actions: Total number of ISPS major control actions since July of 2004.

Annual ISPS Control Action Ratio: Equals total ISPS Major Control actions during 2004 (between July and December 2004) divided by distinct arrivals (between July and December 2004) multiplied by 100.

3-year Average ISPS Control Action Ratio: Three year Annual ISPS Control Action Ratio Average (will not exist until 2007).



Safety Statistics

PSC Safety and Environmental Protection Compliance Targeting Matrix

I	II	III	IV	V
SHIP MANAGEMENT	FLAG STATE	CLASSIFICATION SOCIETY	VESSEL HISTORY	SHIP TYPE
5 POINTS Listed Owner, Operator, or Charterer	7 POINTS Listed Flag State	PRIORITY I Detention ratio equal to or greater than 2%	PRIORITY II First time to United States or no port state control exam in the past 12 months	1 POINT Oil or chemical tanker
		5 POINTS Detention ratio equal to 1% or less than 2%	5 POINTS EACH Detention within the past 12 months	1 POINT Gas carrier
		3 POINTS Detention ratio equal to .5% or less than 1%	1 POINT EACH Other operational control within the past 12 months	2 POINTS Bulk freighter over 10 years old
		NO POINTS Detention ratio less than .5%	1 POINT EACH Casualty within the past 12 months	1 POINT Passenger Ship
			1 POINT EACH Violation within the past 12 months	2 POINTS Ship carrying low value commodities in bulk
			1 POINT EACH Not boarded within the past 6 months	
TOTAL TARGETING SCORE				
DETERMINES PI, PII, OR NPV				

Priority I Vessel (PI)

17 or more points on the Matrix, or ships involved in a marine casualty that may have affected seaworthiness, or USCG Captain of the Port determines a vessel to be a potential hazard to the port or the environment, or ships whose 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 II Vessel (PII)

7 to 16 points on the Matrix, or outstanding requirements from a previous boarding in this or another U.S. port, or the vessel is overdue for an annual tank or passenger exam, or has not been boarded within the past 12 months per column IV. Cargo operations or passenger embarkation/debarkation should be restricted until vessel is examined by the Coast Guard.

Non-Priority Vessel (NPV)

6 or fewer points on the Matrix. Vessel is lower risk and will be considered for examinations in our random boarding process.

Downgrade Clause. If a vessel has scored either a PI or PII based on points or association, and has had a USCG PSC examination within the past 6 months with no serious deficiencies, the COTP or OCMI may downgrade the vessel to NPV. If the COTP or OCMI downgrades a vessel, the COTP/OCMI will consider the vessel for the pool of random examinations.

List of Targeted Flag States (Safety)

The Coast Guard targets Flag State Administrations for additional Port State Control boardings if their detention ratio scores higher than the overall average for all flags, and if a flag state is associated with more than one detention in the past three years. We calculate detention ratios using three years of Port State Control data (2002-2004). Countries with only one detention in the past three years are removed from the targeting flag state list.

For 2004, overall flag State performance declined, with the three-year running detention ratio rising from 2.22% to 2.30%.

Flag State	2002-2004 Detention Ratio
Antigua and Barbuda	3.21%
Belize	7.50%
Brazil	10.00%
Cambodia	71.43%
Croatia	3.13%
Cyprus	3.15%
France *	3.16%
Gibraltar *	3.08%
Honduras	10.00%
India	2.80%
Italy *	3.26%
Malaysia *	2.65%
Malta	3.86%
Mexico	6.67%
Netherlands Antilles	4.29%
Panama	3.36%
Saint Vincent and the Grenadines	14.06%
Turkey	3.02%
Ukraine	10.53%
Venezuela	15.38%

* Countries not targeted in CY2004 (based upon 2003 data)

Flag States Removed From Previous Year's Targeted list (Safety)

Flag State	Number of Detentions (2002-2004)	2002-2004 Detention Ratio
Algeria	1	6.25%
Bolivia	1	20.00%
Cayman Islands	0	2.03%
Lithuania	1	2.44%
Republic of Korea	1	.70%

Examinations by Flag for 2004 (Safety)

Flag State*	Safety Exams	Distinct Arrivals	Safety Detentions	2002-2004 Detention Ratio
Algeria	9	5	-	6.25%
Antigua and Barbuda	488	213	9	3.21%
Australia	3	1	-	-
Bahamas	919	542	6	1.45%
Bahrain	-	1	-	-
Barbados	26	15	-	-
Belgium	15	8	-	-
Belize	39	7	-	7.50%
Bermuda	124	38	-	0.93%
Bolivia	23	1	-	20.00%
Brazil	12	12	2	10.00%
Bulgaria	10	7	-	-
Burma	9	6	-	-
Cambodia	9	1	1	71.43%
Canada	121	71	-	1.27%
Cape Verde	1	1	-	50.00%
Cayman Islands	131	71	-	2.03%
Chile	12	7	-	4.00%
China	112	95	1	0.70%
Croatia	32	20	2	3.13%
Cyprus	567	409	13	3.15%
Denmark	131	104	3	1.20%
Dominica	28	2	-	-
Ecuador	11	7	-	-
Egypt	6	8	-	3.33%
Estonia	2	3	-	-
Finland	4	3	-	-
France	45	32	3	3.16%
Germany	136	87	2	1.03%
Gibraltar	38	25	2	3.08%
Greece	375	356	6	1.19%
Honduras	48	9	1	10.00%
Hong Kong	361	323	4	0.73%
Hungary	-	2	-	-
India	48	40	2	2.80%
Indonesia	3	-	-	-
Ireland	2	4	-	-
Isle of Man	116	94	2	0.81%
Israel	30	20	-	-
Italy	135	89	5	3.26%
Jamaica	-	2	-	16.67%
Japan	35	33	-	-
Kiribati	-	1	-	-
Kuwait	8	4	-	-
Laos	-	-	-	-
Latvia	8	3	1	33.33%

Examinations by Flag for 2004 (Safety)

(continued)

Flag State*	Safety Exams	Distinct Arrivals	Safety Detentions	2002-2004 Detention Ratio
Liberia	1056	779	13	1.32%
Lithuania	25	15	-	2.44%
Luxembourg	15	13	-	-
Malaysia	57	54	2	2.65%
Malta	507	385	15	3.86%
Marshall Islands	452	272	-	0.60%
Mauritius	-	-	-	-
Mexico	19	7	-	6.67%
Micronesia, Federated States	-	-	-	-
Netherlands	242	160	4	1.25%
Netherlands Antilles	75	47	3	4.29%
New Zealand	3	-	-	-
Norway	419	305	7	1.14%
Panama	2516	1513	46	3.36%
Peru	2	1	-	-
Philippines	86	78	1	1.43%
Poland	5	5	-	-
Portugal	19	8	-	-
Qatar	14	7	-	-
Republic of Korea	77	40	-	0.70%
Russia	83	55	2	1.27%
Saint Vincent and the Grenadines	159	75	8	14.06%
Samoa	6	3	-	-
Saudi Arabia	19	7	-	5.26%
Seychelles	-	1	-	-
Singapore	338	244	5	1.34%
Slovenia	-	-	-	-
Spain	49	9	1	4.55%
Sweden	55	34	2	2.30%
Switzerland	12	16	-	-
Taiwan	23	10	-	-
Thailand	27	40	-	-
Tonga	3	1	-	25.00%
Trinidad and Tobago	7	2	-	14.29%
Tunisia	-	-	-	-
Turkey	81	64	-	3.02%
Tuvalu	-	1	-	-
Ukraine	6	4	-	10.53%
United Arab Emirates	10	3	-	-
United Kingdom	271	159	2	1.06%
Vanuatu	76	39	-	-
Venezuela	7	3	-	15.38%
Total	11, 054	7, 241	176	2.30%

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

Filtering Guidelines for Classification Societies (Safety-Related)

Coast Guard field units report all vessel detentions they imposed on foreign-flagged vessels to Coast Guard Headquarters for review. The Coast Guard reviews the reports before forwarding to the International Maritime Organization. During the review process, the Coast Guard determines whether the vessel detention 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 Classification Society performance and calculates their detention ratio. The Coast Guard uses the following guidelines to determine if a vessel 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
- ◆ 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)
- ◆ 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
- ◆ Failure of human factor issues, such as operational drills and tests

The class society or recognized organization shall be notified in writing of each class-related detention and informed of their right to appeal. When determining elapsed time between detention and survey, the actual date of class survey shall be used instead of the date the Certificate was issued.

Classification Society Performance

Classification Society	Abbreviation	Distinct Vessel Arrivals				Class-Related Detentions*				Ratio
		2002	2003	2004	Total	2002	2003	2004	Total	
American Bureau of Shipping	ABS	1,112	1,151	927	3,190	-	-	-	-	-
Bulgarski Koraben Registar	BKR	6	7	10	23	-	-	-	-	-
Bureau Veritas	BV	605	758	617	1,980	2	-	-	2	0.10%
China Classification Society	CCS	154	240	166	560	-	-	-	-	-
China Corporation Register of Shipping	CR	28	46	5	79	-	-	-	-	-
Croatian Register of Shipping	CRS	22	23	26	71	-	-	-	-	-
Det Norske Veritas	DNV	1,211	1,728	1,429	4,368	1	-	-	1	0.02%
Germanischer Lloyd	GL	746	828	810	2,384	2	1	1	4	0.17%
Indian Register of Shipping	IRS	22	12	10	44	-	-	-	-	-
Lloyd's Register	LR	1,261	1,376	1,375	4,012	2	-	-	2	0.05%
Korean Register of Shipping	KRS	147	146	153	446	-	-	-	-	-
Nippon Kaiji Kyokai	NKK	1,653	1,544	1,556	4,753	-	-	-	-	-
Panama Bureau of Shipping	PBS	-	2	5	7	-	-	-	-	-
Panama Maritime Surveyors Bureau	PMS	-	1	-	1	-	-	-	-	-
Registro Italiano Navale	RINA	114	153	149	416	-	-	-	-	-
Romanian Naval Authority	ANR	-	1	-	1	-	-	-	-	-
Russian Maritime Register of Shipping	RS	118	127	114	359	1	1	1	3	0.84%
Polski Rejestr Statkow	PRS	33	36	38	107	1	1	-	2	1.87%
Hellenic Register of Shipping	HRS	8	31	3	42	-	1	1	2	4.76%
Honduras International Naval Survey & Inspections Bureau	HINSB	3	21	4	28	3	1	3	7	25.00%
Inspeccion y Clasificacion Maritima	INCLAMAR	1	-	-	1	1	-	-	1	100.00%
International Register of Shipping	IROS	7	9	5	21	-	3	2	5	23.81%
Isthmus Bureau of Shipping	IBS	4	11	3	18	1	2	1	4	22.22%
Panama Maritime Documentation Service	PMDS	10	21	6	37	3	4	-	7	18.92%
Panama Register Corporation	PRC	2	-	1	3	-	-	1	1	33.33%
Panama Shipping Register	PSR	3	3	2	8	2	-	-	2	25.00%
Phoenix Register of Shipping	PHRS	2	1	1	4	1	-	-	1	25.00%

*Class-Related detentions are those detentions that were determined to have been related to class society activities. This determination was made by Coast Guard headquarters personnel, using broad guidelines described on page 14.

The following guidelines explain point assignment (Points Column above) 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 1

Quality Shipping for the 21st Century

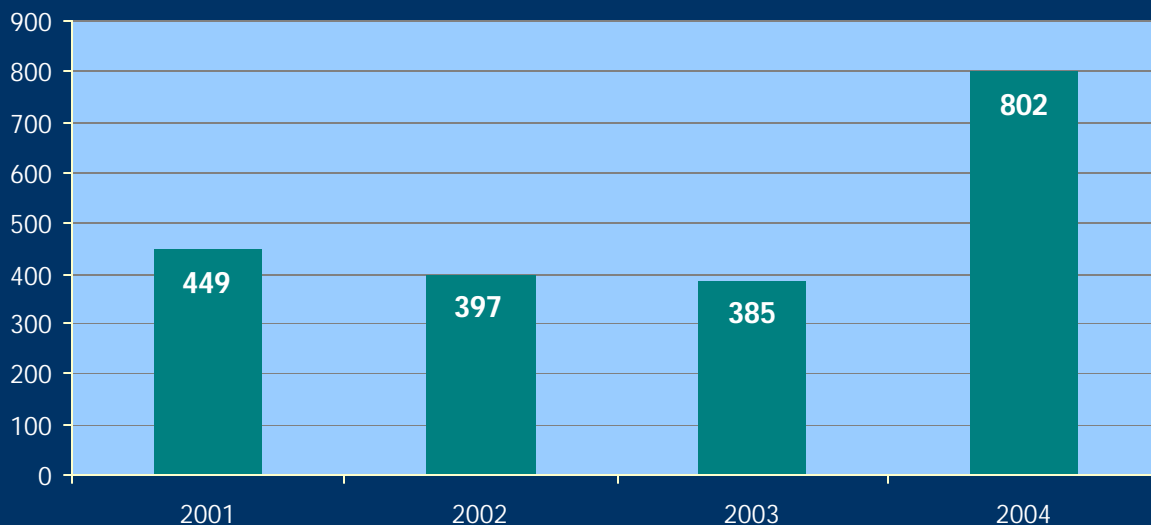
The Quality Shipping for the 21st Century (Qualship 21) program recognizes and rewards vessels that demonstrate a commitment to safety and environmental compliance. To encourage maritime entities to participate, the Coast Guard offers incentives to qualifying vessels; including certificates, name recognition, and a reduction in PSC safety and environmental examination frequency.

The Qualship 21 program evaluates each registry for eligibility on an annual basis. Registries must average at least ten distinct arrivals a year and have a three-year running detention rate of 1.0% or less to qualify for the program. The three-year running detention is determined by dividing the total number of safety and environmental IMO detentions by each registry's annual distinct vessel arrivals. We did not factor in major control actions imposed under the ISPS Code when compiling the 2005 list of eligible registries.

The Qualship 21 program ended 2004 with an enrollment of 802 vessels (an increase of 108% from CY03). Last year's addition of several large registries propelled enrollment numbers to record levels. The outlook for 2005 is not as positive. Foreign vessel performance during Port State Control safety and environmental examinations declined in 2004. Consequently, nine of the 2004 qualifying registries dropped out of the program for 2005 after their three-year detention rates exceeded the 1.0% qualifying level. On the positive side, Marshall Islands returned to the program after recording 272 distinct vessels arrivals last year without a single safety or environmental detention. They were the only new addition for 2005 and joined seven other re-qualifiers (please see table below).

Qualifying Registries as of March 1st, 2005

Barbados	Isle of Man
Bermuda	Luxembourg
China	Marshall Islands
Hong Kong	Vanuatu



Number of Vessels in Qualship 21 Program

For more information Qualship 21, including a complete listing of qualifying vessels, please consult the program's web page at: <http://www.uscg.mil/hq/g-m/pscweb/Qualship21.htm>

Top Five Safety Deficiency Categories (1999-2004)

Fire Fighting Appliance Deficiencies



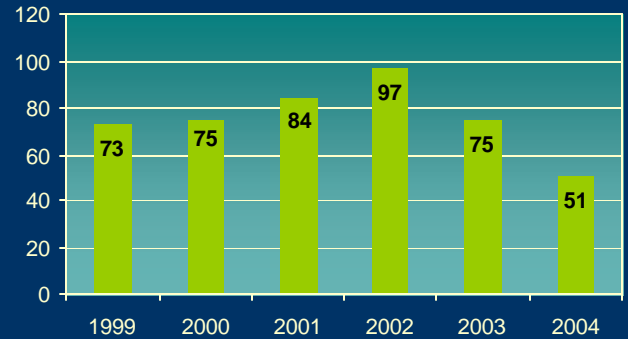
ISM Related Deficiencies



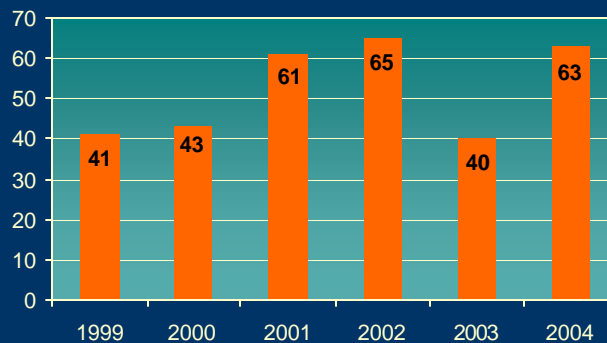
Life Saving Appliance Deficiencies



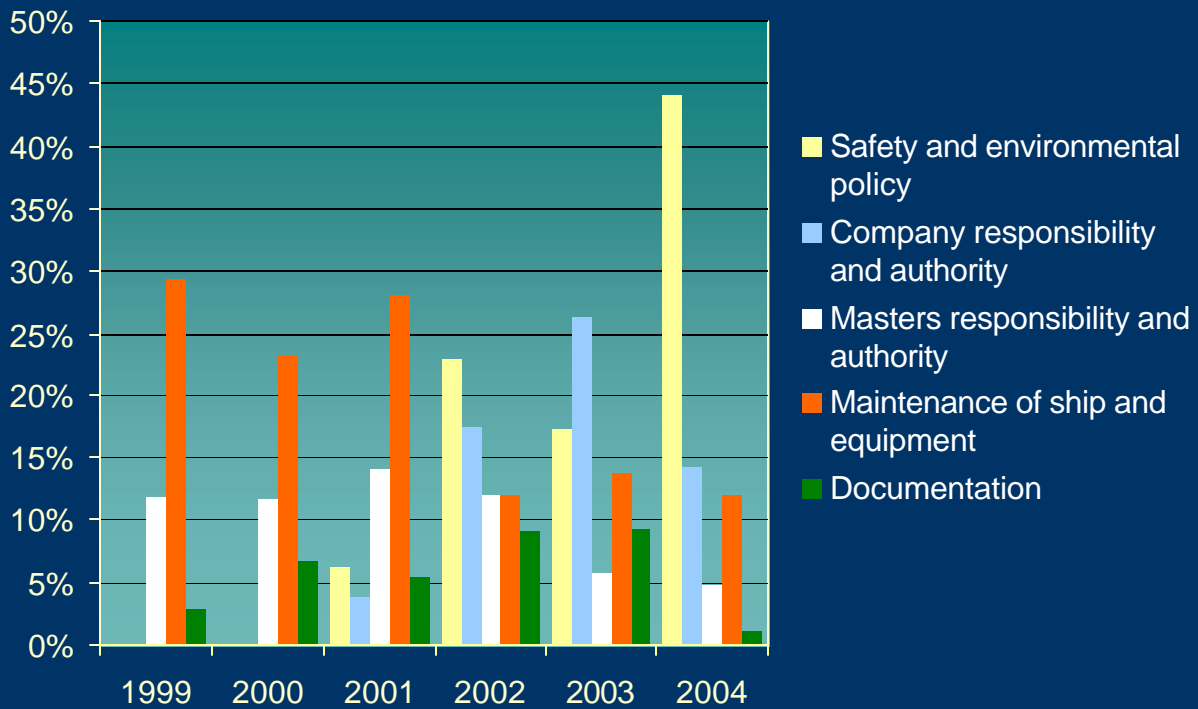
General Safety Deficiencies



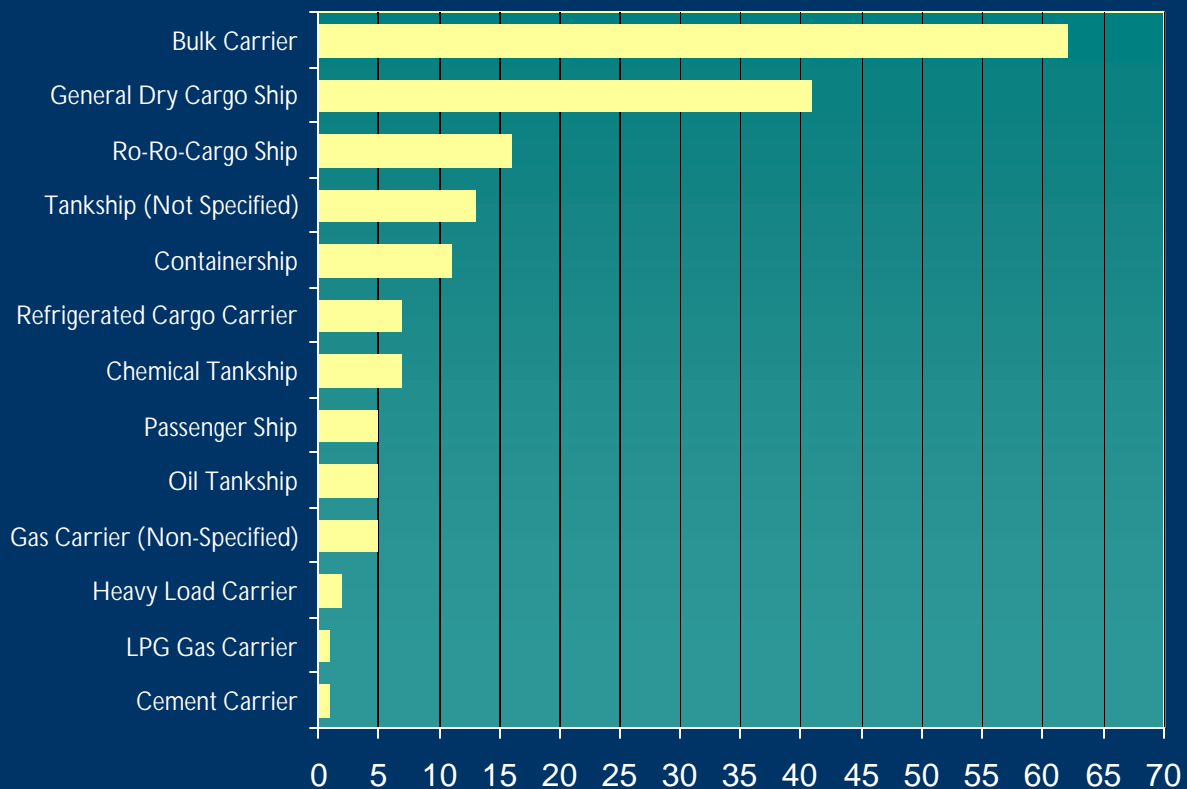
Propulsion and Auxiliary Machinery Deficiencies



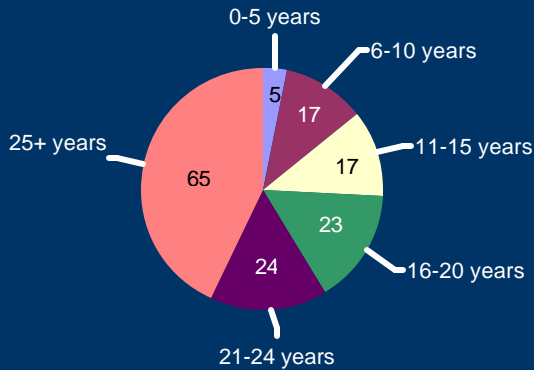
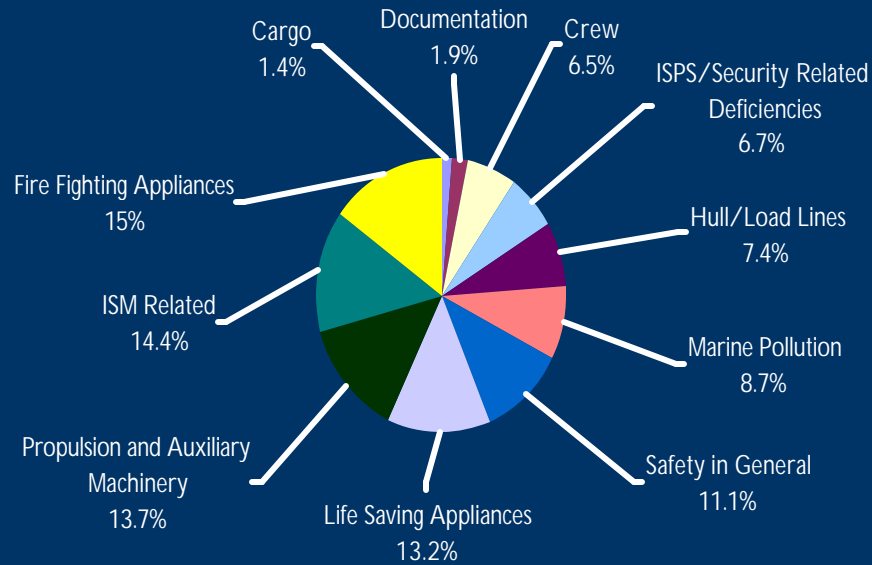
ISM Deficiency Trends (1999-2004)



Safety Detentions by Vessel Type



Safety Deficiencies By Category

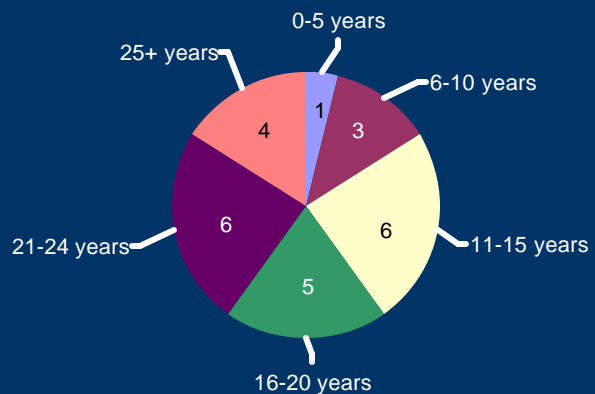


Freight Ship Safety Detentions (by Age)

Total Freight Ship Safety Detentions
151

Tank Ship Safety Detentions (by Age)

Total Tank Ship Safety Detentions
25





Security Statistics

ISPS/ MTSA Security Compliance Targeting Matrix

I	II	III	IV	V
SHIP MANAGEMENT	FLAG STATE	RECOGNIZED SECURITY ORGANIZATION	SECURITY COMPLIANCE HISTORY	LAST PORTS OF CALL
5 POINTS	7 POINTS	ISPS I	ISPS I	ISPS I
Owner, operator, charterer associated w/ one ISPS-related denial of entry or ISPS-related expulsion from port in past 12 months or 2 or more ISPS/MTSA control action in a twelve month period	SOLAS Vessels ⁽¹⁾ Flag State has a CAR 2 or more times the overall CAR average for all flag States	3 or more RSO-related major control actions in the past twelve months	ISPS-related denial of entry/expulsion from port in past 12 months ⁽³⁾	For last 5 ports, as specified by Federal Register; refer to G-MOC targeted list
	2 POINTS	5 POINTS	ISPS II	ISPS II
	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 RSO-related major control actions in the past twelve months	If matrix score does not result w/ ISPS I exam & no ISPS compliance exam within the past 12 months	If matrix score does not result w/ ISPS I exam & for last 5 ports, if designated ISPS II; refer to G-MOC targeted list
	7 POINTS	2 POINTS	5 POINTS	PRESCRIBED CONDITIONS OF ENTRY AND/OR DENY ENTRY
	Non-SOLAS Vessels ⁽¹⁾⁽²⁾ Flag State has a CAR 2 or more times the overall CAR average for all flag States	1 RSO-related major control actions in the past twelve months	Vessel has had an ISPS/MTSA-related detention in the past twelve months	For last 5 ports, as specified by Federal Register; refer to G-MOC targeted list
			2 POINTS	
			Vessel has had 1 or more other ISPS/MTSA control actions in the past twelve months ⁽⁴⁾	
			2 POINTS	
			Vessel has had at least 1 but not more than 5 ISPS Compliance exams in the past 3 years beginning 1 July 2004	
TOTAL TARGETING SCORE				
DETERMINES ISPS I, ISPS II, OR ISPS III				

- (1) Only flag States with more than one major control action are considered
- (2) Includes vessels from non-signatory countries and non-SOLAS vessels from signatory countries
- (3) Depending upon circumstances of denial of entry, COTP or OCMI may relax assignment to ISPS II. Also, if denial of entry due solely to failure to provide NOA, assign 2 points
- (4) Include vessel delays, restriction of operations, restriction of movement related to vessel security deficiencies. Do not include inspection of the ship or lesser administrative actions.

- ◆ Vessels that score 17 points or higher are ISPS I vessels and should be examined prior to port-entry.
- ◆ Vessels that score between 7-16 points are ISPS II vessels and are subject to examination upon port arrival.
- ◆ Vessels scoring fewer than 7 points are ISPS III vessels and are not subject to examination unless selected for a random MTSA/ISPS examination.

List of Targeted Flag States (ISPS)

The Coast Guard targets Flag State Administrations for additional ISPS examinations if their detention ratio scores higher than the overall average for all flags. We calculated major control action percentages based upon six months of enforcement data (July 2004-Dec 2004).

At the conclusion of calendar year 2004, the average Control Action Ratio for all flags was 1.51%. There are two levels of ISPS targeting for these flag states. Flag states over the average receive 2 points on the ISPS/MTSA targeting matrix. Flag states with a control action ratio at or above twice the overall average, will receive 7 points on the ISPS/MTSA targeting matrix.

Flag State	2004 Detention Ratio	Points assigned
Antigua and Barbuda	2.08%	2
Bolivia	100%	7
Cayman Islands	1.90%	2
Cyprus	2.00%	2
Hong Kong	1.83%	2
Malta	1.86%	2
Netherlands	3.79%	7
Panama	2.35%	2
Singapore	1.82%	2
St. Vincent and the Grenadines	3.17%	7
Thailand	6.25%	7
Russia	8.33%	7

Examinations by Flag for 2004 (ISPS)

Flag State*	Security Exams	ISPS Major Control Actions
Algeria	4	-
Antigua and Barbuda	216	4
Australia	1	-
Bahamas	424	2
Bahrain	-	-
Barbados	11	-
Belgium	9	-
Belize	21	-
Bermuda	37	-
Bolivia	10	3
Brazil	8	1
Bulgaria	7	-
Burma	8	-
Cambodia	1	-
Canada	25	-
Cape Verde	-	-
Cayman Islands	71	2
Chile	6	-
China	91	-
Croatia	16	-
Cyprus	318	6
Denmark	78	1
Dominica	8	-
Ecuador	3	-
Egypt	7	-
Estonia	2	-
Finland	1	-
France	24	-
Germany	95	1
Gibraltar	25	1
Greece	263	3
Honduras	23	1
Hong Kong	291	5
Hungary	1	-
India	28	-
Indonesia	0	-
Ireland	2	-
Isle of Man	72	-
Israel	17	-
Italy	62	-
Jamaica	-	-
Japan	28	-
Kiribati	-	-
Kuwait	3	-
Laos	-	-
Latvia	5	-

Examinations by Flag for 2004 (ISPS)

(continued)

Flag State*	Security Exams	ISPS Major Control Actions
Liberia	616	5
Lithuania	13	-
Luxembourg	6	-
Malaysia	29	-
Malta	279	5
Marshall Islands	245	3
Mauritius	-	-
Mexico	9	-
Micronesia, Federated States	-	-
Netherlands	200	5
Netherlands Antilles	36	-
New Zealand	0	-
Norway	222	3
Panama	1331	28
Peru	1	1
Philippines	63	-
Poland	1	-
Portugal	13	-
Qatar	4	-
Republic of Korea	41	-
Russia	32	3
Saint Vincent and the Grenadines	69	3
Samoa	3	-
Saudi Arabia	3	-
Seychelles	-	-
Singapore	186	4
Slovenia	-	-
Spain	6	-
Sweden	39	-
Switzerland	10	-
Taiwan	1	-
Thailand	42	2
Tonga	2	-
Trinidad and Tobago	-	-
Tunisia	-	-
Turkey	59	-
Tuvalu	-	-
Ukraine	2	-
United Arab Emirates	4	-
United Kingdom	149	-
Vanuatu	43	-
Venezuela	6	-
Total	6,087	92

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

Filtering Guidelines for Class Societies (ISPS)

Coast Guard field units report all the major control actions (i.e. denial of entry, expulsion or ISPS detention) they imposed upon foreign-flagged vessels to Coast Guard Headquarters for review. The Coast Guard reviews the reports for forwarding to the International Maritime Organization (IMO). During the review process, the Coast Guard determines whether the major control action 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 Ships Security Plan;
- ◆ Ineffective Ship Security Plan approved by the RSO;
- ◆ 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);
- ◆ Improper interim ISSC.

The following deficiencies will not be considered RSO-related:

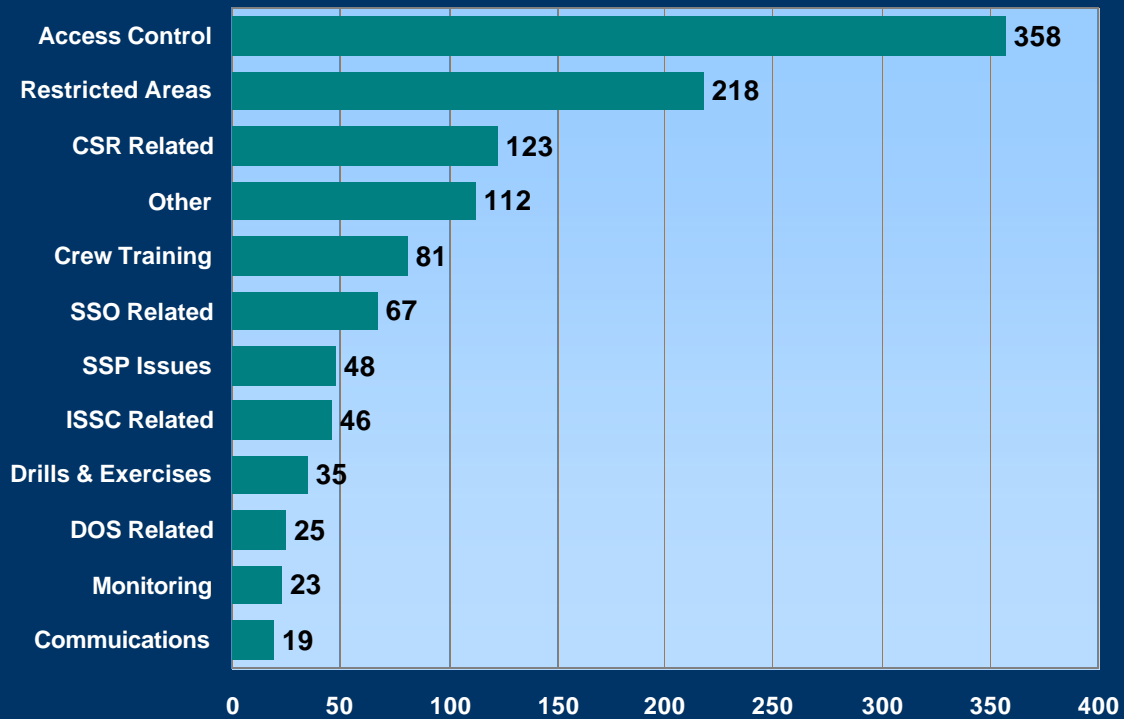
- ◆ Expired ISSC;
- ◆ Other crew anomalies (individual incompetence, unaccounted personnel, fraudulent documents);
- ◆ Failure of human factor issues, such as operational drills and tests.

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 survey, the Coast Guard uses the actual date of RSO survey instead of the Certificate issue date.

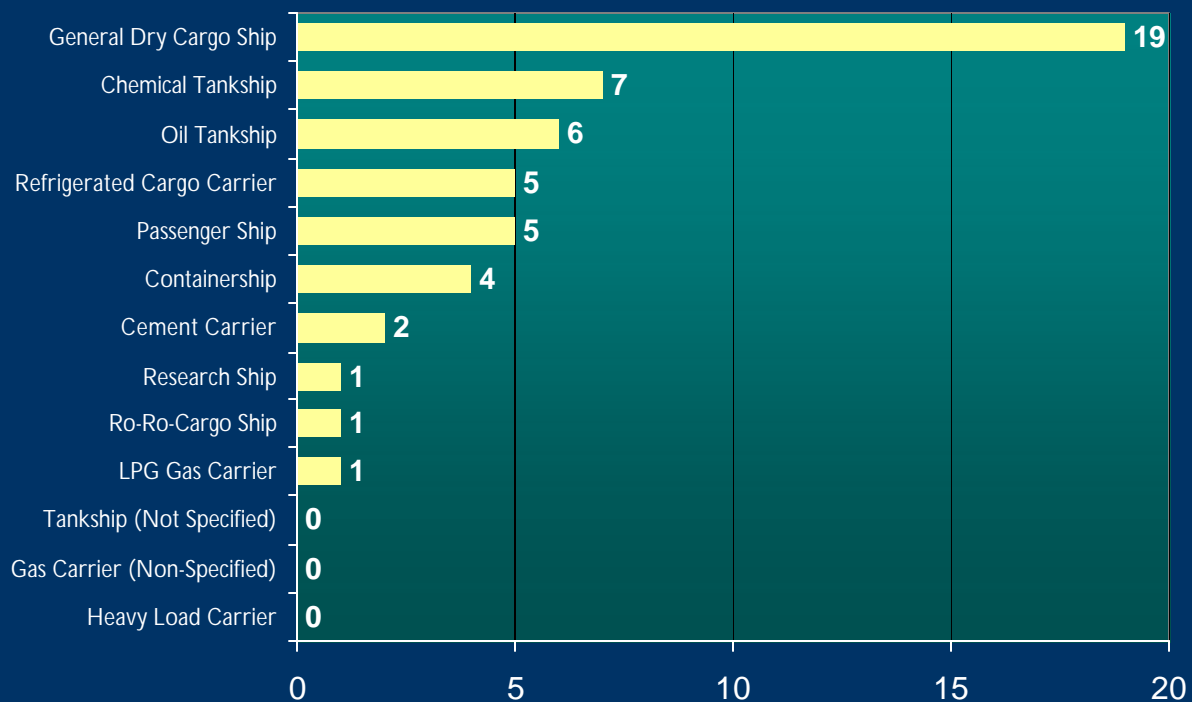
The Coast Guard targets RSO's based on the number of RSO-related major control actions imposed in the past 12 months. The Coast Guard updates the targeting statistics each month. For example, on July 1st, 2005, the Coast Guard will target RSO's based on the number of RSO-related major control actions imposed since June 30th, 2004 (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 or more
2 Points:	1 or more

Security Deficiencies by Category July – December 2004



Major Control Actions by Vessel Type



Appeal Process for Class Related Detentions (Safety and Security)

Any 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. Associated parties must appeal any detention within 30 days of notification or must formally request from G-MOC-2 an extension to this deadline.

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

**United States Coast Guard Headquarters
Foreign Vessel and Offshore Compliance Division (G-MOC-2)
2100 2nd Street S.W.
Washington, D.C. 20593**

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

fldr-g-moc@comdt.uscg.mil

Appeal Process for All Other Detentions (Safety and Security)

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 an COTP/OCMI decision on appeal, a 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 G-MOC. G-MOC is final agency action for appeals and will consider any additional evidence not contained in the original appeal.

United States Port State Control Contact List

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Chief, Office of Compliance (G-MOC)

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Chief, Foreign Vessel Division (G-MOC-2)

Mr. John Sedlak

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Lieutenant Commander Lonnie Harrison

PSC Program Manager

Lieutenant Commander Jason Neubauer

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PSC Generalist
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Lieutenant Kim Donadio-Keel

ISPS/MTSA Program Implementation

Mr. E.J. Terminella

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Mr. Shahzad Aziz

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Qualship 21 Administrative Manager

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Portsmouth, VA 23704-5004

Ph (757)348-6288

Fax (757)398-6503

<http://www.uscg.mil/lantarea/index.html>

Pacific Area (PACAREA)

Coast Guard Island

Alameda, CA 94501-5100

Ph (510)437-3020

Fax (510)437-3774

<http://www.uscg.mil/pacarea/index.html>

1st District

408 Atlantic Ave
Boston, MA 02110
Ph.(617)223-8587
Fax (617)223-8094
<http://www.uscg.mil/d1/>

11th District

Coast Guard Island, Bldg 52-6
Alameda, CA 94501
Ph.(510)437-2956
Fax (510)437-2961
<http://www.uscg.mil/D11/>

5th District

431 Crawford St.
Portsmouth, VA 23704-5004
Ph.(757)398-6379
Fax (757)398-6503
<http://www.uscg.mil/d5/index.html>

13th District

915 Second Ave.
Seattle, WA 98174-1067
Ph.(206)220-7216
Fax (206)220-7225
<http://www.uscg.mil/d13/default.htm>

7th District

909 S.E. First Ave.
Miami, FL 33131-3050
Ph.(305)415-6860/1
Fax (305)415-6875
<http://www.uscg.mil/d7/>

14th District

300 Ala Moana Blvd
Honolulu, HI 96850-4982
Ph.(808)541-2114
Fax (808)541-2116
<http://www.uscg.mil/d14/>

8th District

501 Magazine St. Suite 1328
New Orleans, LA 70130-3396
Ph.(504)589-6271
Fax (504)589-2077
<http://www.uscg.mil/d8/uscgd8.htm>

17th District

P.O. Box 25517
Juneau, AK 99802-5517
Ph.(907)463-2080
Fax (907)463-2216
<http://www.uscg.mil/d17/index.htm>

9th District

1240 E. 9 St.
Cleveland, OH 44199-2060
Ph.(216)902-6054
Fax (216)902-6059
<http://www.uscg.mil/d9/uscgd9.html>