

September 1988

TO ALL MEMBERS OF THE ASSOCIATION

The Britannia Steam Ship
Insurance Association Limited

US Anti-Drug Abuse Act 1986

The Committee has instructed us to bring to your attention this Act of the United States Government under which some severe penalties have been imposed on shipowners.

Your attention to this Act has previously been drawn in issues of the Britannia News in November 1986 and August 1987 since when more information has become available about the requirements of the United States Customs Service and in particular the action which it believes must be taken by shipowners. Only if the Customs Service is satisfied that such action has been taken will any substantial mitigation of the original fines be allowed. The flexibility given to the Customs Service as to the amount of the fine is very considerable. Confiscation or forfeiture of the ship is an option.

The Committee wishes us to emphasise that there is a duty on ship owners to behave responsibly and to take all possible steps to prevent the smuggling of drugs on board their ships particularly those trading to the United States.

It is the recommendation of the Committee that Members should sign what is known as a Sea Carrier Initiative Agreement. An Agreement in the form attached hereto would be acceptable to the US Customs Service but you may be able to discuss further changes if you find any of the clauses unacceptable.

We wish to point out that the US Customs Service has identified certain high risk areas such as the Caribbean Islands and South America from which drugs are most likely to emanate and it is ships trading in those areas which are most likely to be thoroughly searched by the Customs Service on arrival at a US port.

The Committee has also instructed us to advise you that, in the event of a fine being imposed or the ship confiscated in connection with the smuggling of drugs, security will only be given by the Association when we have been provided with satisfactory information on the action you have taken as a prudent and responsible shipowner either generally or in the implementation of the specific provisions of the Sea Carrier Initiative Agreement you have signed.

If you wish, either directly or through your agent, to get in touch with the US Customs Service you should contact:

Mr. David A. Kahne
Manager, Carrier Initiative Program
Office of International Affairs
U.S. Customs Service
1301 Constitution Avenue, NW, Room 4414
Washington DC 20229

p.t.o.

Sea Carrier Initiative Agreement

This voluntary Agreement is made between (“the Carrier”) having its principal place of business at and the The United States Customs Service.

This Agreement, once fully implemented, is intended to act as a deterrent to those persons who may attempt to utilise the Carrier’s vessels as a means of smuggling illegal drugs into the United States. The Agreement will serve as a working document reflecting the mutual understanding of the Carrier and the US Customs Service of what is expected of each party.

This Agreement cannot, by law, exempt the Carrier from statutory sanctions in the event of illegal drugs being discovered by the US Customs Service on board the Carrier’s vessels. However, the extent to which the Carrier has shown compliance with the terms of this Agreement will reflect favourably on any US Customs Service decision or recommendation on final case disposition.

The Carrier undertakes: -

1. To require, as a matter of company policy, that all of its managers, supervisors, employees, and its General Agent, cooperate fully with the US Customs Service and other law enforcement entities in implementing the various actions and initiatives growing out of this Agreement, while encouraging the open and on-going exchange of information among all of the entities involved. Each vessel will carry on board the name of the appropriate US Customs Service officer (as provided by the US Customs Service) to contact at each port at which the Carrier’s vessels call.
2. To designate, at each port of entry at which it calls, a company official or representative who will assist the US Customs Service with searches of the Carrier’s vessels at that port and who will be readily accessible for contact on all matters identified as of enforcement interest to the US Customs Service.
3. To designate, for each vessel, a ship’s officer who will be available to assist the US Customs Service in gaining access to and searching all compartments and spaces of that vessel.
4. In accordance with all applicable laws, upon request to provide to the US Customs Service identifying data provided by current employees where there is a need for such information.
5. To provide the US Customs Service as far in advance as possible with copies of the inward foreign manifest for each of its vessels, noting any first-time shippers and immediately to notify the US Customs Service of any suspicious circumstances surrounding cargo shipments.
6. To notify promptly the US Customs Service of major structural repairs, remodelling or reconfiguration of vessels’ interiors.
7. As soon as such information is available to provide the US Customs Service either directly or through its General Agent with a list of all US ports at which the Carrier’s vessels are expected to call during any forthcoming year.
8. To develop and implement a security system acceptable to the US Customs Service under which the Carrier’s Agents and the vessels’ Master, officers and staff will:
 - (a) Take all reasonable measures to enhance security and control procedures in order to make it more difficult for unauthorized persons to gain access to vessels, both overseas and in the United States.
 - (b) Permit only persons displaying proper identification and required by their assignments access to the vessel.

- (c) Regularly search vessels for illegal drugs prior to departure for, and enroute to, the United States and shall, upon arrival, report to the US Customs Service all instances where illegal drugs have been found. Any illegal drugs located during vessel searches shall be secured with minimal handling and preserved for appropriate follow-up action by the US Customs Service.
- (d) Lock or seal specific compartments aboard ships which may be used to conceal illegal drugs where such locking will not interfere with normal vessel operation or pose a possible safety hazard.
- (e) For those areas which cannot be sealed or locked limit access to those persons with legitimate business in such areas.
- (f) Notify the US Customs Service of broken seals or locks and of unauthorized crew members found in any restricted areas.

In the event that vessels operated by the Carrier are not owned by or under the management or control of the Carrier, the Carrier will make every effort to see that vessel owners agree to the terms of this Carrier Initiative Agreement.

The US Customs Service will:

1. Hold discussions with the Carrier or its General Agent at selected United States and overseas locations regarding joint security surveys.
2. Review security systems developed by the Carrier in accordance with Paragraph 8 of the Carrier's undertakings in this Agreement and provide training to certain of the Carrier's personnel in search methods, enforcement awareness and security measures and in recognition of situations of enforcement interest to the US Customs Service.
3. Make every effort to coordinate with Carrier management the release to the press or the public of information which may involve the Carrier's interests.

.....
 Assistant Commissioner
 Office of International Affairs
 United States Customs Service

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 For and on behalf of the Carrier
 Title:

Dated:

Dated: