



5. ENCLOSURES. Enclosures (1) through (4) provide guidance to assist Companies, ROs, and Coast Guard personnel in executing the ACP. Enclosure (1), *Alternate Compliance Program (ACP) Fundamentals*, broadly discusses the authority, background, vessel eligibility, inspection/survey, and required documentation of the ACP. Enclosure (2), *Responsibilities of the Company*, contains provisions related to the obligations of the Company in maintaining vessels in a continuous state of compliance, implementing an effective Safety Management System (SMS), scheduling surveys and exams, addressing port state control detentions, payment of user fees, and reporting of marine casualties. Enclosure (3), *Responsibilities of Recognized Organizations (ROs)*, clarifies the policies and procedures related to the mandatory requirements that an RO shall fulfill when performing statutory certification and services on behalf of the Coast Guard. Enclosure (4), *Responsibilities of the Coast Guard*, discusses the Coast Guard's oversight program and those functions that have been retained by the Coast Guard.

6. DISCLAIMER. This NVIC constitutes guidance and is not a substitute for applicable legal requirements, nor is it, in itself, a regulation. It neither imposes nor intends to impose legally binding requirements on any party. It represents the Coast Guard's current thinking on this topic and may assist industry, mariners, the public, and the Coast Guard, as well as other federal and state regulators, in applying statutory and regulatory requirements. A Company may use an alternative approach for demonstrating compliance with the standards of the ACP if the Coast Guard determines that the approach will satisfy the relevant provisions of the program, although this will not exempt the Company from complying with applicable United States law and regulations. If a Company wants to discuss an alternative approach, while not required, it may contact the Coast Guard Office of Commercial Vessel Compliance (CG-CVC) at [FlagStateControl@uscg.mil](mailto:FlagStateControl@uscg.mil).

7. MAJOR CHANGES.

- a) Aligned procedures and terminology with the RO Code. Since domestic regulations predate the RO Code, for the purposes of this NVIC, the term "RO", as defined in the RO Code, includes Authorized Classification Societies (ACSs) as defined in 46 CFR 8.100 that are authorized to participate in the ACP under 46 CFR 8.420, and where those same ROs are delegated authority under 33 CFR part 96, subpart D.
- b) Integrated ACP program management with the Coast Guard's Mission Management System (MMS), which is an International Standards Organization (ISO) 9001 based Quality Management System (QMS) in order to support key Coast Guard internal business processes, information flows, reporting, and data analytics.
- c) Incorporated other procedures and instructions including the ACP Tactics, Techniques, and Procedures (TTP) and various MMS documents (e.g., MMS Work Instructions), which focus on individual aspects of the ACP and facilitate more frequent programmatic updates. OCMI's, participating Companies, and ROs are encouraged to reference these products for additional guidance on ACP processes and administration. The ACP TTP and MMS Work Instructions are available on the [CG-CVC webpage](#).
- d) Accepted that transfers of vessel classification may be completed under the provisions of

International Association of Classification Societies Procedural Requirement 1A (IACS PR 1A), *Procedure for Transfer of Class (series)*.

- e) Provided details on the Coast Guard's Fleet Risk Index for vessels enrolled in the ACP.
- f) Removed provision for involuntary disenrollment from the ACP.

8. QUESTIONS. Questions or concerns regarding this policy may be directed to CG-CVC at [FlagStateControl@uscg.mil](mailto:FlagStateControl@uscg.mil).

9. RECORDS MANAGEMENT CONSIDERATIONS. This Circular has been thoroughly reviewed during the directives clearance process, and it has been determined there are no further records scheduling requirements, in accordance with Federal Records Act, 44 U.S.C. 3101 et seq., National Archives and Records Administration (NARA) requirements, and Information and Life Cycle Management Manual, COMDTINST M5212.12 (series). This policy does not have any significant or substantial change to existing records management requirements.

10. ENVIRONMENTAL ASPECT AND IMPACT CONSIDERATIONS.

- a) The development of this NVIC and the general policies contained within it have been thoroughly reviewed by the originating office in conjunction with the Office of Environmental Management, Commandant (CG-47). This NVIC is categorically excluded under current Department of Homeland Security (DHS) categorical exclusion (CATEX) A3 from further environmental analysis in accordance with "Implementation of the National Environmental Policy Act (NEPA)", DHS Instruction Manual 023-01-001-01 (series).
- b) This NVIC will not have any of the following: significant cumulative impacts on the human environment; substantial controversy or substantial change to existing environmental conditions; or inconsistencies with any Federal, State, or local laws or administrative determinations relating to the environment. All future specific actions resulting from the general policy in this NVIC must be individually evaluated for compliance with the National Environmental Policy Act (NEPA), Department of Homeland Security (DHS) and Coast Guard NEPA policy, and compliance with all other applicable environmental mandates.

11. FORMS. None.

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NAVIGATION AND VESSEL INSPECTION CIRCULAR (NVIC) NO. 02-95, CH-3

- Enclosures:
- (1) Alternate Compliance Program (ACP) Fundamentals
  - (2) Responsibilities of the Company
  - (3) Responsibilities of Recognized Organizations (ROs)
  - (4) Responsibilities of the Coast Guard

## ALTERNATE COMPLIANCE PROGRAM (ACP) FUNDAMENTALS

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- A. Purpose. The purpose of the ACP is to enhance the competitive position of the United States (U.S.) fleet and reduce the regulatory burden of compliance by capitalizing on the survey and certification functions performed by a Recognized Organization (RO).<sup>1</sup> The ACP is a voluntary program that promotes flexibility in vessel construction, reduces duplicative inspections/surveys, and is designed to maintain an equivalent level of safety to the standards required in the Code of Federal Regulations (62 FR 67532, December 24, 1997).
- B. Authority. Section 3316 (b) of title 46 of the United States Code (U.S.C.), under delegation from the Secretary of Homeland Security<sup>2</sup>, permits the Coast Guard to delegate certain statutory certification and services to ROs. The Coast Guard administers the ACP through Title 46 Code of Federal Regulations (CFR) part 8, subpart D.
- C. ACP Procedural Guidance. Additional ACP procedural guidance including Tactics Techniques and Procedures (TTPs), Coast Guard Office of Commercial Vessel Compliance (CG-CVC) Mission Management System (MMS) Work Instructions (WIs), and other related procedures are available on the [CG-CVC webpage](#) under the “Policy and Guidance” tab.
- D. Vessel Eligibility. U.S. flag vessels certificated for international voyages, classed by a recognized classification society that is authorized by the Coast Guard to participate in the ACP, and whose vessel type is authorized to participate in the ACP per the applicable subchapter of 46 CFR chapter I, are authorized to enroll in the ACP.<sup>3</sup> Vessels with novel or especially complex designs or operations, and for which the RO has no rules and/or the Coast Guard has no regulations or policies developed, are generally not eligible to enroll in the ACP. However, Commandant (CG-CVC) may choose to enroll such vessels subject to a Design Basis Agreement (DBA)<sup>4</sup> on a case-by-case basis.
- E. ACP Standard.
1. The ACP Standard consists of applicable International Maritime Organization (IMO) instruments, RO rules, and an approved U.S. Supplement as specified in 46 CFR 8.430. The purpose of the U.S. Supplement is to capture critical standards and certain operational requirements in Coast Guard regulations that are not adequately addressed in IMO instruments or the RO’s rules, and to provide any additional Flag Administration interpretations where necessary.
  2. ROs that are members of the International Association of Classification Societies (IACS) and use the IACS Quality System Certification Scheme (QSCS) to fulfill the

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<sup>1</sup> See Final Rule titled “Alternate Compliance via Recognized Classification Society and U.S. Supplement to Rules.” (62 FR 67532, December 24, 1997).

<sup>2</sup> See Department of Homeland Security Delegation No. 0170.1(II)(92).

<sup>3</sup> See 46 CFR 8.410(b).

<sup>4</sup> DBAs rely upon the Coast Guard’s equivalency authorities under domestic regulations and international conventions. DBA is the term used by the Coast Guard to describe the document that memorializes any equivalences and alternatives the Coast Guard will accept for novel designs or configurations as at least effective as that specified in the applicable regulations or international conventions for the purpose of inspection and certification.

requirements to maintain a Quality Management System<sup>5</sup> should apply the relevant provisions of IACS publications including: Procedural Requirements, Common Structural Rules, Unified Requirements, Unified Interpretations, and Recommendations consistent with the IACS Quality Management System Requirements (QMSRs), unless specifically not accepted by the Coast Guard. Additional information about IACS as well as referenced publications are available at [www.iacs.org.uk](http://www.iacs.org.uk).

3. As a condition of enrollment, ACP vessels must maintain compliance with the ACP Standard at all times, regardless of whether or not the vessel actually engages on an international voyage.<sup>6</sup>

F. Enrollment.<sup>7</sup>

1. A Company wishing to enroll a vessel in the ACP, must apply for vessel enrollment with the cognizant Officer in Charge, Marine Inspection (OCMI) via an [Application for Inspection of a U.S. Vessel](#) (CG-3752/CG-3752A, as applicable).
2. Commandant (CG-CVC) may grant provisional and final enrollments following a review of the CG-3752, the results of the handover survey, and related supporting documentation, as applicable.
  - a. Commandant (CG-CVC) may grant provisional enrollment for vessels in new construction or undergoing major conversion prior to delivery and initial certification. The purpose of provisional enrollment is to authorize the use of ROs to witness required tests and inspections on behalf of the Coast Guard.
  - b. Commandant (CG-CVC) may grant final enrollment to existing eligible vessels, or provisionally enrolled vessels following delivery, after completion of a joint handover survey between the RO and the OCMI. The scope of the hand-over survey should include any relevant survey and inspection items needed to issue or endorse the applicable international certificates.

G. Statutory Certification and Services Performed by RO.

1. *Statutory certification and services*<sup>8</sup> means certificates issued, and services provided, under the authority of laws, rules, and regulations of the United States. This includes plan review and other technical work (e.g., tonnage measurement and load line assignment), survey, and/or audit leading to the issuance of, or in support of, a certificate by or on behalf of the United States as evidence of compliance with requirements contained in an international convention, national legislation, and certain regulations as detailed in the U.S. Supplement. This includes certificates issued by an organization recognized by the United States in accordance with the provisions of SOLAS regulation XI-1/1, and which may incorporate demonstrated compliance with the structural,

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<sup>5</sup> See 46 CFR 8.230(a)(15) and RO Code Part 2, Section 3.2.

<sup>6</sup> See 46 CFR 8.440(b).

<sup>7</sup> See 46 CFR 8.440(b).

<sup>8</sup> See RO Code Part 2, Section 1.3 and 46 CFR 8.320. In addition, the Coast Guard has determined that for the purposes of the ACP the term “statutory certification and services” as defined in the RO Code, Part 2, subpart 1.3 is equivalent to the term “delegated function” as defined in 46 CFR 8.100. Note: The Coast Guard has **not** authorized ROs to act in a capacity as a Recognized Security Organization (RSO) under SOLAS XI-2.

mechanical, and electrical requirements of the RO under the terms of its authorization agreement with the Coast Guard.

2. ROs shall complete applicable statutory survey and certification services for vessels enrolled in the ACP, including the issuance of all required international certificates pursuant to their authorization agreement and individual certificate delegations.<sup>9</sup>
3. ROs may issue Statements of Voluntary Compliance (SOVCs), as requested by the Company for conventions to which the U.S. is not signatory (e.g., Maritime Labour Convention (MLC), Ballast Water Management Convention (BWM), MARPOL Annex IV, etc) consistent with related Coast Guard policies.<sup>10</sup>
4. ROs should perform required surveys in accordance with SOLAS I/6 and the *Harmonized System of Survey and Certification* (HSSC), IMO Resolution A.1120 (30), as amended.
5. ROs should perform required SMS audits of the Company and vessel(s) pursuant to the International Safety Management (ISM) Code and the [U.S. Flag Interpretations on the ISM Code \(CVC-WI-004 \(series\)\)](#).
6. ROs should perform underwater Survey in lieu of Drydock (UWILD) examinations in accordance with the RO's rules and procedures. However, the vessel should meet the physical specifications provided in [NVIC 1-89 \(series\), Underwater Survey Guidance](#).

H. Statutory Certification and Services Retained by the Coast Guard. The Coast Guard retains exclusive authority to issue, endorse, or approve the following:

1. Certificate of Inspection (COI) (Minimum Safe Manning Document).<sup>11</sup>
2. All manning issues (including the determination of eligibility for reduced manning based upon an automation system approved by the RO).
3. Required international certificates for which an individual RO has not been granted authorization to issue.
4. Certificate of Documentation (COD) (*see National Vessel Documentation Center (NVDC) Website*).
5. Continuous Synopsis Record (CSR) (*see CSR Information Sheet*).
6. International Ship Security Certificate (ISSC).
7. Approval of Vessel Security Plans.<sup>12</sup>
8. Shipboard Oil Pollution Emergency Plan (SOPEP)/Shipboard Pollution Emergency Plan (SMPEP) (*see Homeport for additional info*).
9. Vessel Response Plans approved under 33 CFR 155.
10. Certificate of Financial Responsibility (COFR).
11. Excursion Permits.
12. Permits to Proceed.

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<sup>9</sup> See 46 CFR 8.130(a)(10) and 46 CFR 8.420(e).

<sup>10</sup> The RO may also issue SOVCs in lieu of international convention certificates for public vessels (e.g., vessels owned by the Maritime Administration (MARAD) and Military Sealift Command (MSC)).

<sup>11</sup> See 46 CFR part 15.

<sup>12</sup> See 33 CFR 104.400-104.415.

13. Exemptions (*see paragraph L below*).
  14. Equivalency Determinations (*see paragraph M below*).
  15. Alternate Compliance with COLREGS.
  16. Approval of a vessel's participation in the Under Water Survey in Lieu of Drydocking (UWILD) program.
  17. Design Based Agreement (DBAs).
  18. Major Conversion Determinations.
  19. Approval of marine equipment in accordance with 46 CFR 2.75.
  20. Documentary Evidence of Financial Security for the MLC, 2006 (*see [NVIC 02-13, Ch. 1](#) and [MSIB 001-17, 2014 Amendments to the Maritime Labour Convention](#)*).
  21. Marine casualty investigations and analysis.
  22. Drydock extensions beyond 90 days.
  23. Load Line exemptions.
  24. Ballast water management compliance and enforcement (*see [CG-CVC Policy Letter 17-05, Guidelines for Voluntary Compliance with the International Convention for the Control and Management of Ships' Ballast Water and Sediments, 2004](#)*).
- I. Other Certificates Not Issued by the Coast Guard or an RO. The following certificates are not issued by the Coast Guard. If required, these certificates may be obtained from the organizations specified:
1. The Environmental Protection Agency (EPA) issues Engine International Air Pollution Prevention (EIAPP).<sup>13</sup>
  2. The Federal Communications Commission (FCC) issues the Safety Radio Certificate.
  3. The National Cargo Bureau (NCB) issues Documents of Authorization for the carriage of grain.<sup>14</sup>
- J. Coast Guard Oversight.
1. *Oversight* means any Coast Guard activity carried out to assure an RO's service complies with IMO and national requirements of the United States.<sup>15</sup>
  2. As the lead federal agency of the U.S. Flag Administration under IMO instruments, the Coast Guard is ultimately responsible to fully guarantee the completeness and efficiency of inspection and survey.<sup>16</sup> Oversight will generally consist of ship inspection, auditing, and monitoring activities completed at multiple levels of the Coast Guard.
  3. The Marine Safety Center (MSC) oversees plan review and other technical work performed by ROs.
  4. Commandant (CG-CVC) will coordinate with ROs to develop Key Performance Indicators (KPIs) for both the ACP fleet and the ROs.<sup>17</sup> The Coast Guard will monitor

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<sup>13</sup> See 40 CFR 1043.40.

<sup>14</sup> See 46 CFR 172.015(b).

<sup>15</sup> See RO Code, Part 3, 4.15.

<sup>16</sup> See SOLAS I/6(d).

<sup>17</sup> See RO Code 6.1.2 and 46 CFR 8.130(a)(22)-(24).



and use the KPIs to: 1) assess RO performance; 2) develop a Fleet Risk Index<sup>18</sup> of vessels enrolled in the ACP; and 3) make changes to the frequency and scope of Coast Guard oversight exams. The KPIs and related data should be provided to the Coast Guard in accordance with the RO Code.

- K. Transfers of Vessel Classification. Transfer of vessel classification should be completed in accordance with IACS PR-1A, the RO Code, and the *Guidelines for Administrations to ensure the adequacy of transfer of class-related matters between recognized organizations*, MSC-MEPC.5/Circ.2. Following a transfer, the vessel owner is responsible to ensure relevant information is provided to the Coast Guard and that the CSR is updated as described in Marine Safety and Information Bulletin 003-14 ([MSIB 003-14](#)).<sup>19</sup>
- L. Exemptions.<sup>20</sup> An exemption excludes a vessel from the applicability of a specific requirement of an international convention or Coast Guard regulation. Exemptions are restricted to circumstances described in the applicable convention or regulation and are typically based on limited routes or service; not the inability to comply with a requirement based on design or operational choices. ROs are not authorized to grant exemptions on behalf of the Coast Guard. ROs should forward exemption requests to Commandant (CG-CVC) at [FlagStateControl@uscg.mil](mailto:FlagStateControl@uscg.mil) via the cognizant OCMI for appropriate action.
- M. Equivalencies.<sup>21</sup> An equivalency is any approved alternate arrangement, fitting, material, appliance, apparatus, equipment, calculation, information, or test that is at least as effective as that required by an international convention, Coast Guard regulation, or RO rule. ROs are not authorized to approve equivalencies on behalf of the Coast Guard. ROs should forward equivalency determination requests for requirements of international conventions and Coast Guard regulations to [MSC@uscg.mil](mailto:MSC@uscg.mil) for appropriate action. ROs may approve equivalencies for requirements of RO rules without further Coast Guard authorization, provided the rule requirements are not also requirements of international conventions or Coast Guard regulations.
- N. Vessel Disenrollment.
1. A Company may voluntarily disenroll a vessel from the ACP at any time. Requests for disenrollment should be sent to [FlagStateControl@uscg.mil](mailto:FlagStateControl@uscg.mil). Following disenrollment, the Company may request to reenroll at any time.<sup>22</sup> Reenrollments are normally conducted at the next regularly scheduled Coast Guard inspection.

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<sup>18</sup> The Fleet Risk Index is a Coast Guard internal program used to identify vessels that could present a safety or environmental risk. The index is developed using a risk model that considers and weighs multiple risk factors resulting in an ordered list of vessels that may be selected for additional oversight. Assessed risk factors include, *inter alia*, vessel detentions (Port and Flag State), vessel related marine casualties, marine violations/enforcement, documented major non-conformities issued under the ISM Code, vessel deficiencies, vessel type, and vessel age. In addition, vessels may be added or subtracted from the Fleet Risk Index based on recommendations from the cognizant OCMI. The Coast Guard reserves the right to modify assessed risk factors, assigned weights, or frequency of which the Fleet Risk Index is updated.

<sup>19</sup> See SOLAS XI-1/5.4.3.

<sup>20</sup> See SOLAS I/4 and 46 CFR 8.130(a)(13).

<sup>21</sup> See SOLAS I/5.

<sup>22</sup> See 46 CFR 8.440.

2. Once a vessel is disenrolled, the vessel reverts to full inspection by the Coast Guard. However, the vessel may still be inspected to the ACP Standard by the Coast Guard, and the Company may have the RO continue to issue international certificates based on their individual certificate authorizations.<sup>23</sup>
- O. Appeals. A Company, or any person, affected by a decision made by the RO or the OCMI, may appeal in accordance with the procedures specified in 46 CFR 1.03-35 or 46 CFR 1.03-20, respectively.

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<sup>23</sup> See 46 CFR 8.320.

## RESPONSIBILITIES *of the* COMPANY

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- A. Vessel Compliance. The Company<sup>1</sup>, as listed on the Safety Management Certificate (SMC), is ultimately responsible to ensure that the vessel remains in compliance with applicable rules and regulations.
- B. Safety Management System (SMS).
1. The Company is responsible to fully and effectively implement a SMS that is compliant with the requirements of the ISM Code and 33 CFR part 96 for any vessel enrolled in the ACP, regardless of whether or not the vessel engages in international voyages.
  2. The Company should develop and implement the SMS taking into account the guidance provided in the *U.S. Flag Interpretations on the ISM Code (CVC-WI-004, (series))*.
  3. Pursuant to ISM Code 3.1, if the entity who is responsible for the operation of the ship is other than the owner, the owner must report the full name and details of such entity to the Administration. For the U.S. Flag Administration, the owner may satisfy this requirement by updating the Continuous Synopsis Record (CSR) as described in Marine Safety and Information Bulletin 003-14 ([MSIB 003-14](#)).
- C. Surveys Conducted by the RO.
1. The Company is responsible to schedule and complete required surveys in accordance with the RO's rules and the *Harmonized System of Survey and Certification (HSSC)*, IMO Resolution A.1120 (30), as amended.
  2. The Company is responsible to schedule the RO to attend any additional exam that may be requested by the Coast Guard, including periodic oversight exams that are conducted pursuant to the Fleet Risk Index. The Company may request that the cognizant OCMI defer a periodic oversight exam for a selected *in-service* vessel while the vessel is operating in a foreign port provided that the next convenient port is agreed to in advance. The deferring OCMI should seek the concurrence of the OCMI where the next convenient port is located prior to granting the deferral. A periodic oversight exam should not be deferred if the vessel is within three months of its anniversary date as specified on the COI.
  3. The Company may request that the RO extend required statutory surveys for a period of up to 90 days in accordance with the RO's rules, their respective agreement with the Coast Guard, and the provisions of SOLAS I/14.
  4. The Company may request UWILD enrollment and continued enrollment (for vessels greater than 15 years old) through the RO.
- D. Coast Guard Inspections and Oversight Exams (In-Service Vessels). The Company is responsible to schedule required Coast Guard inspections by submitting an Application for Inspection (CG-3752) in accordance with 46 CFR 2.01-1.

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<sup>1</sup> Company means the owner of the ship or any other organization or person such as the manager, or the bareboat charterer, who has assumed the responsibility for the operation of the ship from the shipowner and who, on assuming such responsibility, has agreed to take over all duties and responsibilities imposed by the [ISM] Code. (ISM Code 1.1.2 and 33 CFR 96.120).

E. Certificates and other Documentation.

1. The Company should request that the RO issue all required certificates for which the RO has an authorization.
2. The Company should request all other required certificates or documentation from the Coast Guard, other agencies, or organizations as indicated in Enclosure (1), Paragraph I.
3. The Company is responsible to ensure that all certificates and required documentation remain valid and are available as required by applicable regulations and internal SMS procedures.<sup>2</sup>

F. Deficiencies.<sup>3</sup>

1. The Company is responsible for rectifying RO findings (e.g., Conditions of Class, Outstanding Statutory Recommendations, etc.) and deficiencies identified by the Coast Guard within the timeframe specified on the RO's report and/or CG-835V.
2. For deficiencies that are referred by the Coast Guard to the RO, or for RO findings, the Company is responsible for coordinating any extension of the deficiencies directly with the RO.
3. For deficiencies that were issued by the Coast Guard and not referred to the RO, or relate to functions that are not delegated by the Coast Guard (e.g., security, manning, novel systems, etc.) any request for extension should be sent to the cognizant OCMI that originally issued the deficiency.

G. Major Conversion Determinations. Major conversion determinations are made by the Marine Safety Center (MSC) on behalf of Commandant (CG-CVC). It is important that Companies contemplating work that may constitute a major conversion contact MSC as soon as the Company has a general concept of the work to be performed so it can be reviewed. The Coast Guard bases a major conversion determination on the definition of "major conversion" found within 46 U.S.C. 2101.

H. Marine Casualties.

1. The Company is responsible to report Marine Casualties to the Coast Guard in accordance with 46 CFR 4.05-1.
2. The Company is responsible to coordinate acceptance of repair proposals, including temporary repairs, following a Marine Casualty with the cognizant OCMI and the RO.<sup>4</sup>

I. Port State Control Detentions. The Company should provide immediate notification to [FlagStateControl@uscg.mil](mailto:FlagStateControl@uscg.mil) in the event that a foreign Port State Control authority detains an ACP vessel.

J. Coast Guard Related Fees.

1. The Company must pay all required fees in accordance with 46 CFR subpart 2.10 and 46 U.S.C. 3317. The Coast Guard may charge an overseas inspection fee and associated

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<sup>2</sup> See ISM Code 11.2.1 and 33 CFR 96.250.

<sup>3</sup> See 46 U.S.C. 3313(b).

<sup>4</sup> See 46 U.S.C. 3313(b) and applicable subchapter of Title 46 CFR under which the vessel is inspected.

travel fees for all required inspections, periodic oversight exams, and drydock exams conducted overseas by the Coast Guard as requested by the Company or for vessels identified for additional oversight as part of the Fleet Risk Index.<sup>5</sup> User fees must be paid before Coast Guard services are rendered.<sup>6</sup>

2. The Coast Guard may accept in-kind transportation, travel and subsistence in accordance with 46 U.S.C. 2110(b) and related organizational policies.<sup>7</sup>

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<sup>5</sup> See the Marine Safety Manual (MSM) Volume II, Section B.1.12.

<sup>6</sup> See 46 CFR 2.10-20(b).

<sup>7</sup> See Pub. L. 113-281 and ALCOAST Commandant Notice (ACN) 054/18 – *RECAPITULATION OF ALCOAST FOR ANNOUNCEMENT OF U.S. COAST GUARD ACCEPTANCE OF IN-KIND TRANSPORTATION, TRAVEL AND SUBSISTENCE*.

## RESPONSIBILITIES *of* RECOGNIZED ORGANIZATIONS (ROs)

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- A. Alignment of Domestic Regulations and the RO Code. ROs shall perform statutory certification and services in accordance with the relevant provisions of the RO Code and the agreement between an RO and the Coast Guard, as implemented through the requirements provided in 46 CFR part 8, 46 CFR part 69, and 33 CFR part 96.
- B. Authorizations and Agreements.
1. ROs shall perform statutory certification and services in accordance with their respective agreements with the Coast Guard. The agreement will define the scope, terms, conditions and requirements of the authorization(s) extended to the RO.<sup>1</sup>
  2. The specified agreement should include the elements provided in the RO Code and conditions specified in 46 CFR 8.130.<sup>2</sup>
  3. The Coast Guard may terminate an authorization agreement with an RO in accordance with 46 CFR 8.450.
  4. Agreements and a summary table of authorizations are publicly available on the [CG-CVC webpage](#).
- C. Quality Management System (QMS).
1. ROs shall develop and implement a QMS as required by the RO Code part 2, subpart 3.1 and 46 CFR 8.230(a)(15).
  2. For ROs that are members of IACS, compliance with the relevant provisions of the IACS Quality System and Certification Scheme (QSCS) and Quality Management System Requirements (QMSR) satisfies the requirements specified in the RO Code paragraph 3.1.
  3. The QMS must include procedures to ensure that U.S. national requirements and Coast Guard interpretations (e.g. applicable NVICs, Policy Letters, MTNs, TTP and MMS Work Instructions, etc.) are effectively implemented (see RO Code, part 2, subparts 3.3.1 -3.3.2 and 46 CFR 8.130(a)(12)).
  4. If the Coast Guard has objective evidence that the RO failed to perform statutory certification and services in accordance with the RO Code or its QMS, the Coast Guard may request that the RO conduct an internal investigation to include a root cause analysis into the event and implement corrective actions as necessary.<sup>3</sup>
  5. As provided in the agreement delegating ACP authority to the RO, the Coast Guard may request to review the results of internal Vertical Contract Audits (VCAs) completed by the RO pursuant to the requirements of the RO Code.<sup>4</sup> In addition, the Coast Guard may occasionally perform external VCAs on statutory certification and services performed by an RO on behalf of the Coast Guard. The RO should coordinate and support external VCA requests by the Coast Guard, as indicated in the RO's agreements with the Coast

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<sup>1</sup> See 46 CFR 8.320.

<sup>2</sup> See 46 CFR 8.420(e).

<sup>3</sup> 46 CFR 8.130.

<sup>4</sup> See RO Code, Part 2, subpart 6.3. and 46 CFR 8.130.

Guard and 46 CFR 8.130(a)(22). External VCAs of the ROs will be performed by Commandant (CG-CVC), Commandant (CG-5P-TI) Traveling Inspection Staff, or specifically designated personnel.

- D. U.S. Supplement. ROs should apply the relevant provisions of the U.S. Supplement as applicable. Questions or interpretations regarding the supplement should be directed to [FlagStateControl@uscg.mil](mailto:FlagStateControl@uscg.mil).
- E. Performance of Statutory Certification and Services.
1. Technical Work: The RO should perform plan review and other technical work in accordance with the ACP Standard, Marine Safety Center (MSC) Technical Note (MTN) 04-03 (series), *Technical Support and Oversight of Authorized Classification Societies*. MTNs and other MSC directives related to technical work which are available on the [MSC Website](#).
  2. Surveys:
    - a) Surveys for in-service vessels should be completed in accordance with the intervals and scope specified by *Harmonized System of Survey and Certification* (HSSC), International Maritime Organization (IMO), Resolution A.1104 (29) (as amended), as implemented through the RO's rules and internal QMS procedures.
    - b) The RO should coordinate with the Coast Guard and the Company to conduct handover surveys for initial program entry. The scope of the handover survey should generally be the same as for those surveys required to issue or endorse the required international certificates.
    - c) If, during any survey, the RO's surveyor identifies materiel or operational conditions on the vessel that are indicative of Safety Management System (SMS) failures, the condition should be promptly referred to the RO that issued the Safety Management Certificate (SMC). For ROs that are members of IACS, the provisions of IACS PR-17 should be applied. Where this process is invoked, the RO that issued the SMC should notify Commandant (CG-CVC) of the condition and potential SMS failure in accordance with the terms of their agreement with the Coast Guard.
    - d) New construction/major conversion surveys should be completed in accordance with the RO's rules and internal procedures considering any relevant project specific oversight plans developed in conjunction with the shipyard, OCMI, MSC, and/or design basis agreements with the Coast Guard.
    - e) The RO should review UWILD requests submitted by the Company against the guidance contained in NVIC 1-89 and provide a recommendation to Commandant (CG-CVC) regarding approval.<sup>5</sup> If approved by Commandant (CG-CVC), the UWILD surveys should be completed in accordance with the relevant RO's procedures. The RO should immediately notify the cognizant OCMI if serious materiel deficiencies are discovered that adversely impact the seaworthiness of the vessel.

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<sup>5</sup> Only Commandant (CG-CVC) may approve UWILD enrollments for vessels enrolled in the ACP.

3. Audits: ISM Code compliance and SMS verifications should be performed in accordance with the ISM Code taking into account the relevant provisions of the *U.S. Flag Interpretations on the ISM Code* (CVC-WI-004 (series)).

F. Issuance of Certificates.<sup>6</sup>

1. ROs should issue all required convention certificates pursuant to their individual certificate authorizations.
2. ROs may extend the endorsement of international certificates in accordance with their rules as authorized by the Coast Guard for a period of up to 90 days consistent with the relevant provisions of SOLAS I/14. There are no provisions to extend full term certificates in SOLAS IX or the ISM Code. In extenuating circumstances Commandant (CG-CVC) may consider approving a short-term certificate.
3. ROs may issue short-term international certificates for a period of up to 90 days when an onboard condition exists that prevents the issuance of a full-term certificate.<sup>7</sup> ROs should inform Commandant (CG-CVC) regarding the specific condition onboard prior to issuing a short-term certificate. Commandant (CG-CVC) or the cognizant OCMI may shorten the duration of or prohibit the issuance of short-term certificates depending on the circumstances.

G. Referral and Rectification of Deficiencies.

1. The Coast Guard will document deficiencies discovered directly by the Coast Guard on form CG-835V. If the deficiencies relate to a statutory certificate issued by the RO, the OCMI will refer the deficiencies to the RO for rectification. Following receipt of a deficiency referral, the RO should add the deficiencies to their internal database and revert to the issuing OCMI with their corresponding statutory finding number as soon as possible.
2. The RO should ensure that the due date of the statutory finding number corresponds to the due date assigned on the CG-835V. Where no due date is assigned by the OCMI, the RO should rectify the deficiency within a reasonable period as specified in the RO's rules.
3. If, for any reason, a deficiency with a fixed due date that has been referred from an OCMI to the RO requires an extension, the RO should request such extension from the OCMI that issued the deficiency.
4. Upon rectification, ROs should inform the cognizant OCMI that the deficiency has been rectified and provide a copy of the related survey or audit report, as applicable.
5. The Coast Guard will monitor the due dates, including any extended dates, of deficiencies that have been referred to an RO for rectification.<sup>8</sup>

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<sup>6</sup> Required certificates and SOVCs, as applicable, may be issued in electronic format taking into account the guidance provided in [CG-CVC Policy Letter 17-09, Issuance and Acceptance of Electronic Certificates](#).

<sup>7</sup> An RO cannot issue a short term International Tonnage Certificate without a written authorization from the Marine Safety Center.

<sup>8</sup> See 46 CFR 8.130(a)(22)-(24).



- H. Access to RO Data, Records, and Reports.<sup>9</sup> As provided in the RO's agreements with the Coast Guard, the RO must provide the Coast Guard:
1. Unrestricted access to any and all technical data, records, and reports related to statutory certification and services for vessels enrolled in the ACP and the Companies that operate the vessels.
  2. Access to QMS documents and relevant internal and external audits, findings, and corrective action reports.
- I. Key Performance Indicators (KPIs). The Coast Guard will coordinate with ROs to develop, analyze and monitor KPIs with respect to the performance of statutory certification and services.<sup>10</sup>
- J. Notifications and Contact Information. As provided in their agreements, the RO will notify the appropriate Coast Guard representative as follows:
1. ROs shall immediately notify Commandant (CG-CVC) at [FlagStateControl@uscg.mil](mailto:FlagStateControl@uscg.mil) in the following circumstances :
    - a) Following issuance of a major non-conformity against the SMC of an ACP vessel or against the Document of Compliance (DOC) of a company that operates vessels enrolled in the ACP.
    - b) Following suspension or withdrawal from classification for any vessel enrolled in the ACP.
    - c) Following withdrawal/suspension of a class notation (e.g. unattended machinery space endorsement, underwater survey, etc.) that affects the Certificate of Inspection (COI) or other international certificates.
    - d) Following invalidation of any required international statutory certificate.
    - e) Upon becoming aware that a vessel has been detained by a foreign Port State Control authority.
    - f) Upon issuance or acceptance of a notification resulting from IACS PR-17.
  2. ROs shall notify Commandant (CG-CVC) at [FlagStateControl@uscg.mil](mailto:FlagStateControl@uscg.mil) prior to the performance of any ISM Code-related external audit for the issuance or verification of a company's DOC or vessel's SMC. This may include initial, renewal, intermediate, annual, or additional DOC or SMC audits. Notice of DOC audits should be made at least 14 days in advance. Notice of SMC audits should be made at least 7 days in advance. Commandant (CG-CVC) may coordinate with the Traveling Inspections Staff (CG-5P-TI) to observe SMS audits performed by the RO.
  3. ROs should notify the cognizant OCMI for the following:
    - a) To arrange and coordinate oversight attendance for vessels undergoing new construction or major conversion as requested by the cognizant OCMI.<sup>11</sup>

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<sup>9</sup> See 46 CFR 8.130(a)(22)-(24) and the RO's agreement(s) with the Coast Guard.

<sup>10</sup> See RO Code 6.1.2 and 46 CFR 8.130(a)(22)-(24).

<sup>11</sup> Determinations of major conversions are made by the Marine Safety Center on behalf of Commandant (CG-CVC).

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- b) To acknowledge correspondence related to acceptance or rectification of a referred deficiency.
  - c) Upon discovery of a serious safety deficiency or major non-conformity.
  - d) Upon becoming aware that a vessel was involved in a Marine Casualty as defined in 46 CFR part 4.
4. A list of relevant Coast Guard contact information is available on the [CG-CVC Webpage](#).

## RESPONSIBILITIES *of the* COAST GUARD

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### A. Authorizations and Agreements.<sup>1</sup>

1. Prior to granting an Alternate Compliance Program (ACP) or international certificate authorization to a Recognized Organization (RO), the Coast Guard will enter into a written agreement with the RO that will define the scope, terms, conditions, and requirements of the authorization(s) granted to the RO.
2. The specified agreement should conform to the recommended format provided in the RO Code, Appendix 3, considering the relevant provisions of 46 CFR §8.130.
3. Commandant (CG-CVC) may terminate an authorization agreement with an RO in accordance with 46 CFR §8.450, or for conduct not in accordance with the requirements of 33 U.S.C. 3316.

### B. U.S. Supplement. Commandant (CG-CVC) will develop and maintain a U.S. Supplement.

### C. Mission Management System (MMS).

1. To meet its domestic and international obligations for maritime safety and security, the Coast Guard established an ISO 9001 based Quality Management System (QMS) called the *Mission Management System (MMS)*.<sup>2</sup> The MMS is a Prevention program enterprise system that supports key business processes, information flows, reporting, and data analytics. It is the framework by which the overall Coast Guard organizational performance, as it relates to flag, port, and coastal State responsibilities, is assessed and continuously improved.
2. The Coast Guard will promulgate, update, and maintain various MMS products that guide Coast Guard personnel in the execution of their duties as they relate to the ACP. Publicly available MMS products are available on the [CVC Webpage](#). Internal MMS products are available on the Coast Guard Portal.

### D. Program Management.

1. Commandant (CG-CVC) is the program manager and central point of contact for the ACP.<sup>3</sup> Questions or concerns regarding the program should be directed to [FlagStateControl@uscg.mil](mailto:FlagStateControl@uscg.mil).
2. Commandant (CG-CVC) will maintain a current Marine Inspections and Chief, Inspections Division (CID) Contact List, relevant ACP policies, MMS products, and other related guidance on the [CVC Webpage](#).

### E. Oversight, Verification, and Monitoring. The Coast Guard will perform oversight via a variety of verification and monitoring techniques, executed at different levels of the organization, to ensure the adequacy of statutory certification and services performed by an RO on behalf of the Coast Guard. The overall effectiveness of Coast Guard oversight is dependent on each level of the organization fulfilling its role.

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<sup>1</sup> See 46 CFR 8.130.

<sup>2</sup> See Commandant Instruction (COMDTINST 5200.4).

<sup>3</sup> See 46 CFR 1.01-10.

F. Verification and Monitoring Activities.

1. **Office of Commercial Vessel Compliance (CG-CVC)<sup>4</sup>:**

- a) Coordinate with ROs to develop, monitor, and periodically review Key Performance Indicators (KPIs) for both the ACP fleet and the ROs performing statutory certification and services on behalf of the Coast Guard.
- b) Coordinate with District Prevention Staffs to establish, monitor, and review internal KPIs to ensure that each level of the organization is fulfilling its oversight responsibilities effectively.
- c) Establish a Fleet Risk Index, which may be used to direct additional oversight on enrolled vessels. Commandant (CG-CVC) will inform Companies and relevant ROs of vessels that have been selected for additional oversight.
- d) Initiate concentrated inspection campaigns (CICs) to focus oversight on particular vessel systems or operations.
- e) Request and review RO QMS reviews (i.e., “Quality Case”)<sup>5</sup>, to include internal investigations or root cause analyses, as appropriate, where objective evidence indicates that a potential failure of an RO’s QMS resulted in the failure of the RO to adequately perform statutory certification and services (i.e., delegated functions) under mandatory IMO instruments or domestic authorities.
- f) Coordinate with OCMIIs to conduct additional oversight as necessary (e.g., following vessel detentions, marine casualties, seafarer complaints, etc).
- g) Direct additional Document of Compliance (DOC) verifications/audits following objective evidence of a SMS failure within the Company.
- h) Direct and conduct Vertical Contract Audits (VCAs) of RO statutory certifications and services on a periodic basis.
- i) Revoke or terminate an RO’s recognition or authorization to complete statutory certifications and services pursuant to the provisions of 46 CFR 8.260 or 46 CFR 8.450.
- j) Attend Accredited Certification Body (ACB) Audits of the RO headquarters and regional offices at periodic intervals.
- k) Coordinate periodic meetings with the ROs.

2. **Traveling Inspection Staff (CG-5P-TI):**

- a) Attend periodic oversight exams on ACP vessels selected for additional oversight as part of the Fleet Risk Index.
- b) Coordinate with Commandant (CG-CVC) to attend DOC and SMC verifications.
- c) Provide on-demand support to Coast Guard units.

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<sup>4</sup> See 46 CFR 1.01-10(f)(1).

<sup>5</sup> See 46 CFR 8.230(a)(15) and CVC-WI-005 (series), Request for Recognized Organization (RO) Internal Quality Management System (QMS) Review – “Quality Case”.

- d) Advise Commandant (CG-CVC) on program improvements.

**3. Marine Safety Center (MSC)<sup>6</sup>:**

- a) Conduct oversight of RO plan review and other technical work performed on behalf of the Coast Guard, and provide technical support to ROs for such work in accordance with Marine Safety Center Technical Note (MTN), 04-03, series, *Technical Support and Oversight of Authorized Classification Societies*.
- b) Make major conversion determinations.
- c) Approve or deny equivalency requests.
- d) Participate in periodic meetings with RO management to review RO performance as it relates to the technical aspects of statutory certification and services.
- e) Advise Commandant (CG-CVC) on program improvements and RO performance as it relates to technical aspects of statutory certification and services.

**4. Coast Guard Districts<sup>7</sup>:**

- a) Ensure that Coast Guard units are performing inspections and oversight in accordance with established program policies, related MMS Work Instructions, and other applicable guidance.
- b) Monitor and track internal KPIs as established by Commandant (CG-CVC).
- c) Assist units with evaluating potential Quality Cases situations and serve as a quality assurance staff and first-line review authority for Quality Case recommendations from the OCMI to Commandant (CG-CVC).
- d) Assist units with evaluating potential situations warranting an additional DOC audit and serve as a quality assurance staff and first-line review authority for DOC additional verification recommendations from the OCMI to Commandant (CG-CVC).

**5. The OCMI<sup>8</sup>:**

- a) Ensure that appropriately qualified Marine Inspectors perform all required oversight exams in accordance with established program policies and related MMS Work Instructions.
- b) Issue and endorse the Certificate of Inspection (COI), International Ship Security Certificate (ISSC), and other required certificates for which the RO does not have an authorization, as applicable.
- c) Designate an Oversight Coordination Officer in writing. The Oversight Coordination Officer will serve to assist the Company and the RO to resolve minor ACP issues and related questions.
- d) Ensure that Marine Inspectors (MIs):

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<sup>6</sup> See 46 CFR 1.01-10(e)(5).

<sup>7</sup> See 46 CFR 1.01-15(a).

<sup>8</sup> See 46 CFR 1.01-15(b) and 33 CFR 1.01-20(a).

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- i. Inspect/Examine the vessel to ensure it is in substantial compliance with the ACP Standard in accordance with relevant program policies (e.g., ACP TTP, applicable MMS WIs, etc).
- ii. Evaluate the effectiveness of the SMS (see [CVC-WI-003 \(series\), USCG Oversight of Safety Management Systems on U.S. Flag Vessels](#)).
- iii. Evaluate the effectiveness of statutory certification and services performed by an RO on behalf of the Coast Guard (see [CVC-WI-005 \(series\) Request For Recognized Organization Internal Quality Management System Review - "Quality Case"](#)).