

**MEMORANDUM OF UNDERSTANDING  
BETWEEN THE  
UNITED STATES COAST GUARD  
AND THE  
AMERICAN BUREAU OF SHIPPING  
CONCERNING DELEGATION OF  
VESSEL INSPECTIONS AND EXAMINATIONS, AND  
TONNAGE MEASUREMENT, AND  
ACCEPTANCE OF PLAN REVIEW AND APPROVAL**

I. Purpose.

This Memorandum of Understanding (MOU) delegates authority and sets forth guidelines for cooperation between the United States Coast Guard and the American Bureau of Shipping (ABS) with respect to the initial and subsequent inspections for certification and periodic reinspections or examinations of vessels of the United States, as defined by 46 U.S.C. § 2101(46), both in the United States and in foreign countries, in the review and approval of plans, the tonnage measurement of vessels, and in associated activities. Nothing in this MOU alters in any way the statutory or regulatory authority of the Coast Guard or the rules, services and responsibilities of the ABS related to vessel classification.

II. Parties.

A. The Coast Guard is statutorily authorized to administer laws and promulgate and enforce regulations for the promotion of the safety of life and property at sea and the protection of the marine environment. In accordance with the authority granted by 46 U.S.C. § 2104 and § 3316, the Coast Guard is authorized to delegate to the ABS the inspection and examination of vessels of the United States. The Coast Guard also has statutory authority under 46 U.S.C. Part J - Measurement of Vessels, for the measurement and the certification of tonnages for vessels required or eligible to be documented as vessels of the United States. Under 46 U.S.C. § 14103, the Coast Guard may delegate the authority to measure certain vessels to qualified persons. Further, under 46 U.S.C. § 3316, the Coast Guard is authorized to accept the review and approval of vessel plans performed by the ABS.

B. The ABS is a not for profit corporation chartered under the laws of the State of New York. The ABS is chartered for the purpose of promoting the security of life and property on the seas, and protection of the marine environment. The ABS is

maintained as an organization having no capital stock and paying no dividends. The Secretary of Transportation appoints two active representatives, one of which is the Commandant of the Coast Guard, to represent the U.S. Government on the ABS Council

or Board of Directors. Affected American interests and members of the Coast Guard serve on technical and special committees of the ABS and have a voice in the development of Rules for classification published by the ABS. A standing committee of personnel from the Coast Guard and the ABS periodically reviews the relationships between the organizations.

### III. Delegations of Vessel Inspections and Tonnage Measurements and Acceptance of Plan Reviews and Approvals

#### A. Delegation.

1. The Coast Guard delegates to the ABS, as its agent, the authority to conduct the initial inspection for certification, subsequent inspection for certification, periodic reinspection and examination, including drydock examinations, and the authority to issue and endorse certain certificates for vessels documented, or to be documented, as vessels of the United States, both in the United States and in foreign countries.

2. The ABS is a qualified person for the purposes of measuring vessels and issuing certificates in accordance with 46 U.S.C. Part J and is delegated the authority to conduct tonnage measurement services in accordance with federal regulations as part of the Coast Guard vessel certification process.

#### B. Acceptance of Plan Reviews and Approvals.

1. The Coast Guard will accept the review and approval of vessel plans by the ABS in the same manner as if approved by the Coast Guard.

#### C. Terms.

1. The Coast Guard and the ABS will meet periodically, at all levels, to promote cooperation and handle matters of interpretation and policy concerning the subjects of this agreement.

2. In carrying out this agreement, the ABS will,

(i) provide written confirmation, in a mutually agreed format and media, of the results of inspections, examinations, reviews and approvals conducted on behalf of the Coast Guard, and provide the Coast Guard access to information concerning deficiencies identified by the ABS, related to functions delegated under this MOU. Subject to agreement of the

vessel's owner, the ABS will provide the Coast Guard access to information concerning deficiencies related to classification by the ABS which have not been fully corrected;

(ii) in accordance with 46 U.S.C. §§ 3310 and 3316(c)(2), maintain in the United States records of all

inspections , examinations, measurements, reviews, and approvals done on behalf of the Coast Guard and make such records available to the Coast Guard upon request;

(iii) be subject to a mutually acceptable oversight program administered by the Coast Guard to determine that the functions delegated under this MOU are being carried out;

(iv) designate appropriate persons in the ABS to serve as points of contact with the appropriate Coast Guard personnel on matters of interpretation, policy, and the working relationship;

(v) submit proposed changes to the ABS Rules and the associated ABS quality system procedures and process instructions related to functions delegated under this MOU to the Coast Guard for review and comment to determine that these documents, read together with the U.S. Supplement to the ABS Rules, are consistent with U.S. law, regulation, and policy. Where the ABS adopts ABS Rule changes which are determined by the Coast Guard not to be consistent with Coast Guard regulation and policy, corrective provisions will be made in the U.S. Supplement to the ABS Rules;

(vi) submit for approval by the Coast Guard proposed changes to the U.S. Supplement to the ABS Rules; and

(vii) make available to the Coast Guard copies of the ABS guidelines, procedures, and work instructions which are related to the performance of the delegated functions.

3. In carrying out the delegated functions and services outlined in paragraph III.A.1, the ABS will also:

(i) ensure that its employees engaged in the performance of functions delegated under this MOU are familiar with and require compliance with applicable laws and regulations and Coast Guard policies, interpretations, and instructions, provided to the ABS by the Coast Guard, interpreting and applying those applicable laws and regulations including (1) the International Convention for the Safety of Life at Sea (SOLAS), and, where authorized, other applicable international conventions to which the United States is a party; (2) United States statutes; (3) federal regulations; (4) the ABS Rules; and (5) the U.S. Supplement to the ABS Rules;

(ii) promptly notify the Coast Guard at any time the ABS cannot fulfill its responsibilities under this MOU for any reason;

(iii) Unless otherwise specifically agreed in writing, conduct delegated inspections, examinations and plan review using only exclusive employees of the ABS;

(iv) ensure that, when an employee of the ABS is performing a function delegated under this MOU on board a vessel of the United States, the employee will promptly notify the cognizant Officer in Charge, Marine Inspection of any condition of the vessel or its equipment that does not correspond substantially with the particulars of the certificate of inspection or is such that the vessel is not fit to proceed to sea without danger to the vessel or persons on board to allow the Coast Guard the opportunity to conduct a timely investigation or examination as appropriate;

(v) ensure that, when an employee of the ABS attends a vessel to carry out delegated functions and finds that vessel is not in compliance with applicable requirements, the ABS employee will promptly notify the responsible vessel representative of the findings and that corrective action to rectify the deficiency must be taken. If the responsible vessel representative refuses to accept the findings and to undertake corrective action, the ABS employee is to advise the vessel representative of the appeals procedure and is to promptly notify the cognizant Officer in Charge, Marine Inspection, of the situation;

(vi) accept all requests to perform delegated services, on vessels classed by the ABS, without regard to the vessel's location, unless prohibited to do so under the laws of the United States or under the laws of the jurisdiction in which the vessel is located; and

(vii) provide the Coast Guard with current schedules of inspection, examination, survey and plan review fees and related charges and provide copies of changes when they occur.

4. In carrying out the delegated functions and services outlined in paragraph III.A.2., the ABS will also:

(i) ensure that its employees engaged in the performance of functions delegated under this MOU are familiar with and require compliance with applicable laws and regulations and Coast Guard policies, interpretations, and instructions, provided to the ABS by the Coast Guard, interpreting and applying those applicable laws and regulations pertaining to the vessel measurement function, including the International Convention on Tonnage Measurements of Ships, 1969, and all tonnage measurement interpretations and policies of the Coast Guard within the scope of the authority delegated that would normally be applied to U.S. flag vessels;

(ii) conduct tonnage measurement on behalf of the Coast Guard using exclusive employees of the ABS or part time employees or independent contractors specifically designated by the ABS to provide measurement services under the Convention, Standard, or Dual Measurement Systems;



(iii) not use an employee or contractor to measure and certify the tonnage of a vessel if that employee or contractor is acting or has acted as a tonnage consultant for the same vessel;

(iv) physically conduct a compliance inspection before issuing each tonnage certificate;

(v) accept all requests to perform delegated services without regard to the vessel's location, unless prohibited to do so under the laws of the United States or under the laws of the jurisdiction in which the vessel is located;

(vi) notify the Coast Guard of scheduled meetings that may take place between the ABS and other vessel tonnage measurement organizations pertaining to tonnage measurement of U.S. vessels or to the systems under which U.S. vessels are measured; and

(vii) provide the Coast Guard with current schedules of measurement fees and related charges.

5. In carrying out this agreement, the Coast Guard will:

(i) provide the ABS with policies, interpretations, and instructions necessary to perform the delegated functions;

(ii) review and comment on proposed changes to the ABS Rules and the associated ABS quality system procedures and process instructions related to functions delegated under this MOU to determine that these documents, read together with the U.S. Supplement to the ABS Rules, are consistent with U.S. law, regulation, and policy. Where the Coast Guard determines that an ABS Rule is not consistent with Coast Guard regulations and policy, the Coast Guard will define, together with the ABS, corrective provisions to be made in the U.S. Supplement to the ABS Rules;

(iii) approve proposed changes to the U.S. Supplement to the ABS Rules.

(iv) designate appropriate persons to serve as points of contact for periodic review, clarification, and reinforcement of the working relationship between the Coast Guard and the ABS; and

(v) process appeals resulting from the actions of the ABS in accordance with pertinent Coast Guard procedures.

IV. Non-exclusivity. Nothing in this MOU shall be construed to limit the delegation of any function to a classification society other than the ABS to the extent allowed by law.

V. Effective Date. This memorandum shall become effective upon authorized signature of both the Coast Guard and the ABS.

VI. Termination. As of the effective date of this MOU, the previous MOU between the Coast Guard and the ABS concerning plan review and inspection of vessels under construction certificated by the Coast Guard and the tonnage measurement of vessels is superseded and cancelled. This MOU may be terminated by one party upon written notice to the other party. Termination will occur sixty days after written notice is given from one party to the other party. This MOU should be reviewed annually by both parties.

Signed by  
Robert E. Kramek  
Commandant  
United States Coast Guard

Date: JAN 12 1995

Signed by  
Frank J. Iarossi  
Chairman and  
Chief Executive Officer  
American Bureau of Shipping

Date: JAN 12 1995