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Homeland Security

United States
Coast Guard



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CG-CVC Policy Letter 18-01

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From: J. F. Williams, CAPT
COMDT (CG-5PC)

To: Distribution

Subj: GUIDANCE ON THE AUDIT SCHEME FOR VESSELS USING A TOWING SAFETY
MANAGEMENT SYSTEM (TSMS) OPTION

Ref: (a) Title 46, Code of Federal Regulations (CFR), Section 138.220(a)(2)(i)
(b) Title 46, CFR, Section 138.310(c)
(c) Title 46, CFR, Section 138.315(b)(1) and (2)
(d) Title 46, CFR, Section 136.110
(e) Title 46, CFR, Section 138.315(b)(3)
(f) Title 46, CFR, Section 138.315(b)(4)
(g) Title 46, CFR, Section 138.315(c)

1. PURPOSE. The purpose of this policy letter is to provide clarification and guidance to the Towing Vessel National Center of Expertise (NCOE), Officer(s) in Charge, Marine Inspection (OCMI), Third Party Organizations (TPO), and the marine industry on the vessel audit scheme during phase-in and post phase-in periods for vessels whose owners have chosen to use the TSMS option.
2. DIRECTIVES AFFECTED. None.
3. BACKGROUND.
 - a. In accordance with reference (a), vessel audits, both internal and external, must be specified in the TSMS utilized by the vessel.
 - b. In accordance with reference (b), internal audits must be documented, kept for five years, and made available to the Coast Guard upon request.
 - c. In accordance with reference (c), a vessel audit associated with the issuance of the vessel's Certificate of Inspection (COI) must occur within a specified period based on the length of time a vessel has been operated by an owner or managing operator.
 - d. The following definitions, found in reference (d), are germane to this policy letter: *audit*, *external audit*, *internal audit*, and *third-party organization or TPO*.

4. DISCUSSION.

- a. In addition to the audits specified in paragraph 3 above, vessels using a TSMS to obtain a COI are subject to a random external audit once in a 5-year period during the period of validity of the TSMS certificate in accordance with reference (e).
- b. Random audits are a key component in verifying that the company is doing what it says it will do with regard to vessel compliance. A random external vessel audit program conducted by a TPO will help ensure vessels remain in continual compliance throughout the period of validity of the TSMS Certificate.

5. ACTION. The NCOE, OCMI, TPOs, and towing vessel owners and managing operators should refer to this Policy Letter when discussing vessel audits needed to comply with Subchapter M requirements on a vessel using a TSMS Option.

6. POLICY. In addition to the items discussed above, this policy letter will clarify the extent of random vessel audits necessary to comply with Subchapter M for vessels using a TSMS for both the phase-in and post phase-in periods:

- a. No random external vessel audits will be required during the phase-in period. All vessels using a TSMS option will undergo an audit as part of their initial COI. It is more reasonable and practicable to begin the random process only after all vessels are issued a COI to draw an equivalent "random" selection from.
- b. Once the phase-in period is over, on July 20, 2022, or upon renewal of the TSMS, then the random external vessel program can begin in accordance with references (e) and (f). This involves a single random audit conducted of all vessels during the 5-year period of validity of the TSMS Certificate. Vessels shall be selected randomly and the audits for the fleet covered by the TSMS Certificate should be evenly distributed as possible.
- c. In accordance with reference (g), the results of any external audit must be retained for five years and made available to the Coast Guard upon request.

6. ENVIRONMENTAL ASPECT AND IMPACT CONSIDERATIONS. Environmental considerations were examined in the development of this policy letter and have been determined not to be applicable.

7. DISCLAIMER. This policy letter guidance is neither a substitute for applicable legal requirements, nor a rule. It is not intended nor does it impose legally-binding requirements on any party. It represents the Coast Guard's current thinking on this topic and may assist industry, mariners, the general public, and the Coast Guard, as well as other Federal and state regulators, in applying statutory and regulatory requirements. An alternative approach may be used for complying with these requirements if the approach satisfies the requirements of the applicable statutes and regulations. If you want to discuss an alternative approach (you are not required to do so), you may

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contact the Coast Guard Office of Commercial Vessel Compliance (CG-CVC) who is responsible for implementing this guidance.

8. QUESTIONS. Questions concerning this policy letter and guidance should be directed to Office of Commercial Vessel Compliance, COMDT (CG-CVC), Domestic Compliance Division at CG-CVC-1@uscg.mil. This policy letter and other Domestic Vessel Policy documents are posted on the CG-CVC website at <https://dco.uscg.afpims.mil/Our-Organization/Assistant-Commandant-for-Prevention-Policy-CG-5P/Inspections-Compliance-CG-5PC-/Commercial-Vessel-Compliance/CG-CVC-Policy-Letters/> and then select "2018".

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