



Marine Safety Center Technical Note

MTN 04-03, CH-4
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April 6, 2021

MARINE SAFETY CENTER TECHNICAL NOTE (MTN) NO. 04-03, CH-4

Subj: TECHNICAL SUPPORT AND OVERSIGHT OF AUTHORIZED CLASSIFICATION SOCIETIES

- Ref:
- (a) Title 46, Code of Federal Regulations, Part 69
 - (b) Navigation and Vessel Inspection Circular (NVIC) 10-82, as amended, "Acceptance of Plan Review and Inspection Tasks Performed by the American Bureau of Shipping (ABS) for New Construction or Major Modification of U.S. Flag Vessels"
 - (c) NVIC 10-85, "Oversight of Technical and Administrative Aspects of Load Line Assignment"
 - (d) NVIC 02-95, as amended, "The Alternate Compliance Program (ACP)"
 - (e) NVIC 03-97, "Stability Related Review Performed by the American Bureau of Shipping for U.S. Flag Vessels"
 - (f) NVIC 03-05, "Guidance for Oversight of Post-Licensing Activities Associated with Development of Deepwater Ports (DWP)"
 - (g) NVIC 01-13, as amended, "Inspection and Certification of Vessels under the Maritime Security Program (MSP)"

1. Purpose: This Marine Safety Center Technical Note (MTN) change updates the processes used by the Marine Safety Center (MSC) to support and oversee technical work performed on behalf of the U.S. Coast Guard by third parties duly recognized under applicable authorizations.

2. Applicability: This MTN applies to plan review, tonnage measurement, load line assignment, and other technical statutory and certification services performed on the Coast Guard's behalf by authorized classification societies, measurement organizations, assigning authorities, and other third parties recognized under the provisions of references (a) through (g) and similar authorizations. Additional policy applicable to tonnage measurement oversight is available in MTN 01-98, as amended, "Tonnage Administrative Policy." Throughout this MTN, any organization duly recognized to perform technical work on the Coast Guard's behalf is referred to as an "authorized classification society" (ACS), which may also be a "Recognized Organization" (RO) as that term is used in reference (d).

3. Discussion:

- a. The MSC is responsible for ensuring technical work performed on the Coast Guard's behalf meets the objectives outlined under the applicable authorizations. We accomplish this by monitoring the accuracy and consistency of work performed by third party organizations on our behalf. Our oversight of technical work is part of a broader program of Coast Guard oversight that includes ACS rule review, U.S. Supplement development,

ACS Quality Management System (QMS) auditing, and Officer in Charge, Marine Inspection (OCMI) oversight of delegated vessel and offshore facility inspection functions, to include deepwater ports. This program is managed by the Coast Guard Office of Commercial Vessel Compliance (CG-CVC).

- b. Key steps to successful MSC oversight include:
 - i. timely notification of work items completed by the ACS;
 - ii. MSC identification and selection of work items for review;
 - iii. ACS submittal of work items and supporting documentation to the MSC;
 - iv. timely MSC feedback to the ACS;
 - v. tracking and follow-up of corrective actions; and
 - vi. implementation of lessons learned via revision of MSC and ACS rules, policy, guidelines, and work practices.
- c. Open communication between the MSC and the ACS is critical to the achievement of our mutual marine safety goals. We accomplish this through frequent engagement and open communications with ACS counterparts including one-on-one telephone conversations, email messages, formal correspondence, conference calls, engineer exchange programs, and regular face-to-face or virtual staff and managerial level meetings. A staff level phone call or a written request for clarification prior to ACS approval on the Coast Guard's behalf can help avoid corrective actions after the work is completed.

4. Action: The following technical support and oversight provisions apply for ACS technical work performed on the Coast Guard's behalf. These are in addition to provisions of written agreements with the Coast Guard, and those of reference (a) through (g).

- a. Limits on ACS Authority: ACSs are not authorized to approve equivalencies, grant exemptions, or make interpretations on the Coast Guard's behalf. ACSs should forward requests for Coast Guard equivalency determinations and interpretations to the MSC for action, along with the ACS's evaluation and recommendation regarding the merits of the proposed approach, including any concerns. For exemption requests, the MSC can assist ACSs by coordinating reviews with the cognizant OCMI or appropriate office at Coast Guard Headquarters, recognizing that it is generally possible to employ alternative equipment, designs and/or arrangements through the equivalency process. Refer to reference (d) for additional discussion on the terms "equivalency" and "exemption."
- b. Notification: ACSs notify the MSC when technical work is completed on the Coast Guard's behalf, using the process described in enclosure (1), unless otherwise specified or authorized by the MSC.
- c. Selection:

- i. The MSC will regularly review ACS notifications and select items for oversight, using a risk-based approach that considers system complexity and criticality. Some items may be selected randomly to ensure all types of work items are subject to oversight. In addition, items may be selected for oversight by the MSC when specifically requested by Coast Guard OCMI, or where otherwise deemed appropriate by the MSC.
 - ii. When an item is selected for oversight review, the appropriate ACS point of contact will be informed via email. Items selected for review will be identified using the same information provided in the notification worksheet.
- d. Submittal: ACSs submit selected items, corresponding approval letters, and supporting documentation necessary for the approval or issuance of these items, to the MSC within five working days. Submitted material may be sent as email attachments to msc@uscg.mil, or a file exchange method acceptable to the MSC. Submittals should include the reference number assigned in the notification email. If additional information or clarification is required during the review, MSC staff will contact appropriate ACS staff. Oversight reviews will generally be completed within 30 calendar days of receipt.
- e. MSC Review:
- i. Oversight Results: There are three possible results of MSC oversight activity, some of which may require follow-up action by the ACS and/or the MSC.
 - (a) No review: An oversight activity was closed with no review for administrative reasons (i.e. the work was not yet complete or miscategorized with the notification). The ACS will not normally be notified of “no review” items; however, the data may be included in regular oversight statistics reports.
 - (b) Review with no findings: A review of the submitted work item was completed and no findings were identified. The ACS will be notified via formal correspondence for record-keeping purposes only. No action or response is expected from the ACS.
 - (c) Review with findings: A review of the submitted work item was completed and findings were identified. The ACS will be notified via formal correspondence. Action or response may be necessary from the ACS and/or the MSC.
 - ii. Oversight Findings: Oversight findings consist of observations, nonconformities, or major nonconformities, and indicate that a discrepancy exists between how the MSC expected work to be completed and how the ACS actually completed it.
 - (a) Observation: Discrepancies or conflicts between standards, regulations, or policies that result in the ACS performing work that is inconsistent with Coast Guard expectations. Observations may require clarification or additional guidance from the MSC and/or ACS to align work outcomes.
 - (b) Nonconformity: Failure to meet a standard, regulation, or policy.

- (c) Major Nonconformity: A nonconformity that may pose a serious threat to the safety of personnel, vessel, facility, or the environment. A major nonconformity may also be a single or repeated nonconformity that indicates a systemic failure negatively affecting the quality of work performed by the ACS on the Coast Guard's behalf. Major nonconformities may be referred to CG-CVC for possible ACS QMS review (i.e., "Quality Case"), and for use as key performance indicators in assessing ACS performance.
- iii. MSC Correspondence: MSC will issue formal correspondence to the ACS documenting results of completed reviews. CG-CVC will be notified, along with the cognizant OCMI, as appropriate.
- f. Follow-up: If required by formal correspondence, ACS follow-up action for oversight findings, including relevant deadlines, will be described in the associated MSC letter. Regardless of whether follow-up action is required by the MSC, ACSs evaluate each finding and determine what internal action is needed to prevent recurrence. Major nonconformities always require corrective action and a formal response detailing the action taken to prevent recurrence, within 30 days of receipt of the MSC letter, unless otherwise specified or authorized by the MSC.
- g. Continuous Improvement: The ACS should identify a central point of contact to serve as liaison with the MSC on oversight issues. The ACS representative works with the MSC to resolve issues and track the status of findings for which the MSC required follow-up action. The ACS should establish a regular meeting schedule with the MSC to periodically review oversight results and corrective actions taken, and to discuss policy, industry trends, and ACS workload projections.
- h. MSC Contacts: Direct any questions regarding this MTN or other oversight program matters to the MSC Oversight Coordinator. Direct technical questions to the appropriate MSC Division or Branch Chief. Contact information is available on the MSC website.
5. Disclaimer: While the policy contained in this document may assist the industry, the public, the Coast Guard, and other Federal and State agencies in applying statutory and regulatory requirements, this policy is not a substitute for the applicable legal requirements, nor is it in itself a regulation. It is not intended to, nor does it impose legally binding requirements on any party, including the Coast Guard, other Federal agencies, the States, or the regulated community.


S. J. KELLY

Encl: (1) Notification Instructions

Copy: Commandant (CG-ENG), Office of Design and Engineering Standards
Commandant (CG-CVC), Office of Vessel Compliance
Commandant (CG-5P-TI), Traveling Inspector Staff

NOTIFICATION INSTRUCTIONS

1. **General:** Notifications are used to inform the MSC when technical work is completed on the Coast Guard's behalf. This notification process should not be used to fulfill other ACS submission requirements, such as OCMI transmittal letters, ACP enrollment letters, copies of ACS letters to submitters, under reference (b), (d) and (e), respectively, or to submit formal responses to oversight findings.
2. **Items Requiring Notification:** The ACS should notify the MSC of those items approved or issued by the ACS on the Coast Guard's behalf, omitting those items returned for revision, held in abeyance, or otherwise not approved. Table 1 lists examples of ACS actions taken, a general description of the action, and whether CG notification is required:

Table 1: Notification Examples

Action Taken	Description	Notification Required
"Approved" on the Coast Guard's behalf	Demonstrates compliance with applicable standards.	Yes
"Examined" on the Coast Guard's behalf	Approval is not required, however, the item contains information needed to verify compliance.	Yes
"Issued" on the Coast Guard's behalf	Refers to the official act of certification for information appearing on an ACS certificate or similar document.	Yes
"Reviewed"	Indicates additional documentation which may be necessary to support an approval on the Coast Guard's behalf.	No*
"Filed" for reference only	No action taken.	No
"Return for revision" or resubmission required	Contains errors or significant omissions.	No

* While separate notification of these items is not required, ACSs should provide items upon MSC request.

3. **Submission of Notifications:** Unless otherwise specified or authorized by the MSC, ACSs should submit notifications in the form of an email attachment delivered to assessment-msc@uscg.mil, using the worksheet described in the next section of this enclosure. Submit one worksheet per email, as multiple worksheets in one email cannot be handled by the MSC's automated file processing software.
4. **Notification Worksheet:** The notification worksheet is an electronic Microsoft Excel document available on the MSC's website. It does not contain any macros, which should allow the worksheet to open on any computer capable of opening Microsoft Excel files, regardless of security settings. If you have difficulty opening or working with the worksheet, please contact the MSC Oversight Coordinator.
5. **Notification Worksheet Data Entry:** Each row of the worksheet below the column headings should contain the data of only one work item, even though the approving correspondence may address multiple work items. Please refer to Table 2 for specific column data entry and formatting requirements.

Table 2: Notification Worksheet Requirements

Column	Title	Description	Format
A	ACS	Authorized Classification Society (ACS) performing the work on the Coast Guard's behalf.	Drop-down menu
B	Authority	Statute, regulation, policy, or program authorizing the ACS to perform technical work on the Coast Guard's behalf.	Drop-down menu
C	ACS ID No.	ACS's unique vessel/facility identification number.	Alpha-numeric
D	Submittal ID No.	ACS internal task, approval, or tracking number. <i>Optional for all activities.</i>	Alpha-numeric
E	Plan Name / Tonnage Assignment / Load Line Assignment	Plan review: Plan name or title. Load line: Enter "load line". Tonnage: Enter "US" or "ITC".	Text
F	Plan Number	Drawing, document, or certificate number.	Alpha-numeric
G	Revision	Revision, alteration, edition designation. <i>Optional for tonnage and load line only.</i>	Alpha-numeric
H	Revision Date	Date of revision cited in Column G. <i>Optional for tonnage and load line only.</i>	DD-MM-YY
I	Primary System	System description that best applies to the specific work item. Tonnage and load line assignments have specific designators. Use Column J as necessary to add detail.	Drop-down menu
J	Secondary System	System description to supplement primary system description. <i>Optional for all activities.</i>	Drop-down menu
K	ACS Approval Date	Date the work item was approved or issued by the ACS.	DD-MM-YY
L	Vessel/Facility Name	Name of the vessel/facility if known. See Column O for treatment of multiple hulls. <i>Optional for plan review and load line only.</i>	Text
M	Vessel/Facility Operating Subchapter	Allowable operating subchapter of 46 CFR. For a complete description of the operating subchapters and their applicability, see Table 2.01-7(a) of 46 CFR 2.01. <i>Optional for tonnage only.</i>	Drop-down menu
N	Builder	Name of the vessel/facility builder. If unknown, enter "unknown".	Text
O	Hull No.	Vessel/facility hull number. Preferably, for a series of hulls, use a separate row for each. If combined in one row, use the format "434-438" or "232, 234, 236". If unknown, enter "unknown".	Alpha-numeric
P	MSC Project No.	MSC Project No. assigned to vessel/facility. If unknown, leave blank. <i>Optional for all activities.</i>	"P000000"
Q	VIN	Unique identification number (i.e., Official Number, IMO number or CG Number). <i>Optional for plan review and load line only.</i>	Alpha-numeric
R	VIN Type	Type of VIN. <i>Optional for plan review and load line only.</i>	Drop-down menu