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16715 CG-OES Policy Letter No. 01-25 24 Jul 2025

From: S. A. Koch, CAPT COMDT (CG-OES)

To: Distribution

Subj: GUIDELINES FOR BUNKERING OF VESSELS USING LIQUEFIED NATURAL GAS (LNG) AND OTHER ALTERNATIVE MARINE FUELS

Ref: (a) Navigation and Vessel Inspection Circular (NVIC) 01-25 – Guidance for Improvement and Enhancement of Cooperative Relationships Through Local Harbor Safety Committees

(b) CG-5P Policy Letter 01-24 – Guidelines for Facility Design Review and Compliance Oversight of Waterfront Facilities Handling Alternative Marine Fuels

- 1. <u>PURPOSE</u>. This policy letter provides guidance to Coast Guard Captains of the Port (COTPs) regarding the bunkering of vessels using liquefied natural gas (LNG) and other alternative marine fuels at waterfront facilities and in waters subject to the jurisdiction of the United States. This policy letter defines the Coast Guard's expectations for bunkering operations not covered by existing regulations and establishes a streamlined procedure for the bunkering risk assessment process.
- 2. <u>ACTION</u>. COTPs assessing the safety of bunkering operations involving LNG and other alternative fuels should refer to this policy letter for guidance. It is recommended that owners and operators of vessels and waterfront facilities conducting alternative fuel bunkering operations be familiar with the contents of this policy letter.
- 3. <u>AUTHORIZED RELEASE</u>. Internet release is authorized.
- 4. <u>DIRECTIVES AFFECTED</u>. Commandant (CG-OES) Policy Letter 01-15, dated February 19, 2015, and Commandant (CG-OES) Policy Letter 02-15, dated February 19, 2015, are hereby canceled.
- 5. BACKGROUND.

- a. LNG has been used as a marine fuel for over a decade. In addition to LNG, there continues to be rapid development, testing, and implementation of other alternative marine fuel technologies to power vessels which may include methanol, ammonia, hydrogen, LPG, or dimethyl ether.
- b. Existing U.S. regulations for bunkering of marine fuels are specific to traditional petroleum-based maritime fuels. While portions of title 33 of the Code of Federal Regulations (CFR) Parts 127, 154, and 156, as well as 46 CFR Subchapters D and O may apply to LNG and other alternative marine fuel bunkering operations, the rapid introduction of multiple new alternative fuels has resulted in gaps in regulations to support their safe bunkering.
- c. To support the unleashing of American energy to fuel the maritime shipping industry, this policy letter aims to facilitate safe bunkering operations for LNG and other alternative marine fuels. This is being done by providing COTPs with a framework for utilizing their existing authority to assess and mitigate the hazards associated with bunkering operations so that trade through our nation's maritime transportation system remains open, safe, and efficient.

6. DISCUSSON.

a. Scope

- (1) For the purposes of this policy letter, "bunkering" is defined as the operation of transferring liquid or gaseous fuel in bulk from a vessel or waterfront facility into a vessel's permanent fuel tanks for its propulsion and/or operation.
- (2) This policy letter is only applicable to bunkering operations that occur in waters subject to the jurisdiction of the United States.
- (3) The COTP is granted broad authority to determine the risks posed to critical infrastructure, navigable waters, or the associated resources introduced by any operation. The COTP should consider expanding or reducing the scope of the risk assessment of bunkering operations based on frequency and normalcy of the operation proposed, following a full assessment.

b. Authority

(1) Pursuant to The Ports and Waterways Safety Act (Title 46, United States Code (U.S.C.), Chapter 700) COTPs are granted authority to ensure the safety of waterfront facilities, the protection of the navigable waters, and the resources therein. Title 33, Code of Federal Regulations (CFR), Part 160 provides the foundational regulatory authority for the guidelines described in this Policy Letter.

- (2) Under these statutory and regulatory authorities, COTPs may direct the handling, loading, unloading, storage, and movement (including the emergency removal, control, and disposition) of explosives or other dangerous articles and substances, including oil or hazardous material as those terms are defined in 46 U.S.C. § 2101, to prevent damage to, or the destruction of, any bridge or other structure on or in the navigable waters of the United States, or any land structure or shore area immediately adjacent to such waters, and to protect the navigable waters and the resources therein from harm resulting from vessel or structural damage, destruction, or loss.
- (3) LNG and other alternative marine fuels identified in paragraph 5.a. meet the definition of hazardous material in 46 U.S.C. § 2101(17) as a liquid material or substance that is flammable or combustible.
- c. Bunkering Risk Assessment Process.
 - (1) The following guidance outlines the COTP involvement in the risk assessment process for bunkering operations. The risk assessment process is not meant to supersede any law or regulation; it is meant to identify and analyze risks and bridge regulatory gaps specific to bunkering operations.
 - (2) **Bunkering Proposal**. Due to the absence of specific prescriptive regulations for bunkering LNG and other alternative marine fuels, the COTP should use their authority to require that an initial bunkering proposal be submitted. The bunkering proposal should be initiated by the fuel supplier with sufficient time for the COTP to review for any areas of concern prior to the bunkering operation. The proposal should include information on the fuel to be bunkered, anticipated date ranges, location, facility, vessel(s), and company(ies) that will be involved in the bunkering operation. In return, the COTP should provide, at a minimum, a copy of this policy letter for guidance about facilitating the bunkering operation.
 - (3) **Risk Assessment**. COTPs should use their authority to require that a risk assessment be conducted for the proposed alternative fuel bunkering operation.
 - i. The COTP should require the fuel supplier to submit a risk assessment plan for review prior to the risk assessment being conducted. The plan may be submitted in conjunction with or combined with the bunkering proposal and should include a list of proposed participants, the standards and methodologies to be used for assessment of risk, technical details on the bunker supplier vessel or facility and receiving vessel, qualification and training of personnel directly involved with the transfer, assumptions to be used throughout the risk assessment, and any pre-identified hazards to be discussed. Additionally, the

plan should at a minimum identify that hazards associated with the following subject areas will be addressed:

- Mooring/Docking/Anchoring
- Connection and testing to include compatibility assessment
- Fuel transfer operations to include pressure management and vapor return
- Completion and disconnection
- Unmooring/Undocking/Weighing anchor
- Critical infrastructure, waterway, people and environment
- Port emergency response capabilities
- Simultaneous Operations
- ii. The COTP should review the submission and address any concerns prior to the risk assessment being conducted. When a subject area or hazard is suitably addressed in regulations, requirements, or in static portions of a previous risk assessment, these must be clearly identified and the submitter may request the scope of the risk assessment be reduced to only account for changes to dynamic items such as marine traffic, weather, bunkering location, etc. If a previous risk assessment report is cited, it must be made available to the COTP for review.
- iii. Many established standards and methodologies provide processes for conducting risk assessments. When selecting a standard or methodology, consider those that align with the principles outlined in ISO/IEC 31010. For questions regarding the suitability or acceptance of specific standards, the Office of Operating and Environmental Standards (CG-OES) can provide further guidance.
- iv. The COTP or their designated representative should make efforts to participate in the risk assessment. Once the risk assessment is complete, the final report should be submitted to the COTP for review. The report should be reviewed to validate that all subject areas listed in this section have been adequately addressed to the satisfaction of the COTP. Once the review is complete, the COTP should issue a statement of "no objection" to proceed with the bunkering operation per the submitted risk assessment and final report.
- (4) **Compliance and Enforcement.** The primary authority for operational control over LNG and other alternative fuel bunkering operations is found in 46 U.S.C. § 70011 and its implementing regulation at 33 CFR § 160.109. The COTP should not hesitate to issue a COTP Order to halt bunkering operations if adequate time has not been given to the COTP to review the risk assessment prior to the operation or

if bunkering operations are not being conducted in accordance with the submitted risk assessment and final report.

d. Additional Tools

- (1) Harbor Safety Committee. Reference (a) states, "[Harbor Safety Committees] HSCs provide an indispensable opportunity for USCG Captains of the Port (COTPs) to leverage, engage, and facilitate coordination and consultation with port stakeholders. Participation in HSCs allows the USCG to help elevate and solve unique local problems with unique local solutions." HSCs provide COTPs with valuable expertise in assessing the risk to the entire marine transportation system (MTS). As LNG and other alternative marine fuel bunkering operations mature in a specific COTP zone, HSCs may provide recommendations to the COTP to further normalize the bunkering assessment process for specific fuels.
- (2) Advance Notice of Transfer. In accordance with 33 CFR § 156.118, COTPs may require advanced notice of transfer at least 4 hours before operations begin. The COTP should require this notice for the bunkering of vessels using LNG and other alternative marine fuels under their 33 CFR § 160.109 authority. This requirement may be included when issuing the statement of "no objection" or through other appropriate means such as a Marine Safety Information Bulletin (MSIB).
- (3) **Transfer Monitor.** Transfer monitors may still be conducted at the COTPs discretion in accordance with Regulated Bulk Liquid Transfer Monitors, Commandant Instruction (COMDTINST) Manual M16455.11 (series). For transfer monitors conducted for LNG or other alternative fuel bunkering operations, the team should review the submitted risk assessment and final report when planning the transfer monitor.
- (4) Alternative Fuel Bunkering Facility Policy. There may be LNG and other alternative fuel bunkering operations from land based or mobile waterfront facilities where Coast Guard facility regulations for oversight and compliance do not exist. If a proposed bunkering assessment involves a facility of this type, COTPs and industry should use reference (b) as guidance in addition to this policy.
- (5) Other Risk Assessment Tools. During the COTPs determination of "no objection," there exist other risk assessment tools and reports which could assist in providing context and additional insight to the overall threat of a particular operation to the MTS.
 - i. Marine Planning to Operate and Maintain the Marine Transportation System (MTS) and Implement National Policy, COMDTINST 16003.2 (series), includes multiple tools, such as the Navigational Safety Risk Assessment,

- which help the COTP identify potential MTS risks associated with the proposed bunkering operation.
- ii. 33 CFR §§ 127.007 and 127.008 required LNG and liquefied hazardous gas (LHG) facilities to conduct a waterways suitability assessment or operational risk assessment prior to operation. The resulting letter of recommendation and letter of recommendation analysis may be referenced to help the COTP identify potential MTS risks associated with the proposed bunkering operation.
- 7. <u>DISCLAIMER</u>. This guidance is not a substitute for applicable legal requirements, nor is it itself a regulation. It is intended to provide administrative guidance for Coast Guard personnel and is not intended nor does it impose legally binding requirements on any party outside the Coast Guard. It represents the Coast Guard's current thinking on this topic and may assist industry, mariners, the general public, the Coast Guard, and other Federal and state regulators in applying statutory and regulatory requirements. Alternative approaches for complying with these requirements may be considered by the COTP.
- 8. MAJOR CHANGES. None.
- 9. ENVIRONMENTAL ASPECT AND IMPACT CONSIDERATIONS. The Office of Environmental Management, Commandant (CG-47) reviewed this policy and determined that it falls under the Department of Homeland Security (DHS) categorical exclusion L3. This policy will not result in any substantial change to existing environmental conditions or violation of any applicable Federal, state, or local laws relating to the protection of the environment. It is the responsibility of the action proponent to evaluate all future specific actions resulting from this policy for compliance with the National Environmental Policy Act (NEPA), other applicable environmental requirements, and the U.S. Coast Guard Environmental Planning Policy, COMDTINST 5090.1 (series).
- 10. <u>DISTRIBUTION</u>. No paper distribution will be made of this policy letter. An electronic version will be located on the following Commandant (CG-OES) website at https://www.dco.uscg.mil/Our-Organization/Assistant-Commandant-for-Prevention-Policy-CG-5P/Commercial-Regulations-standards-CG-5PS/office-oes/.
- 11. <u>RECORDS MANAGEMENT CONSIDERATIONS</u>. Records created as a result of this policy letter, regardless of format or media, must be managed in accordance with Records & Information Management Program Roles and Responsibilities, COMDTINST 5212.12 (series) and the records retention schedule located on the Records Resource Center Microsoft SharePoint site at: https://uscg.sharepoint-mil.us/sites/CG611 HUB.
- 12. <u>QUESTIONS</u>. Questions concerning this policy letter, the review of standards, or suggestions for improvements should be directed to the Coast Guard Office of Operating and Environmental Standards (CG-OES) at: <u>Alt-Fuel-Bunkering@uscg.mil</u>.

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