

## **IV. PROGRAM ADMINISTRATION**

### **Company Responsibilities**

#### Development of Action Plans

- Ensure that the ICR is available and contains applicable criteria for every vessel system and subsystem required by Coast Guard regulations (international certificates will continue to be administered by the USCG or its authorized issuing organization).
  - Ensure that the Company SIP Representative establishes and maintains close communications with the USCG SIP Advisor.
  - Submit the CAP and VAP to OCMI for review and approval.
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#### Training of SIP Personnel

- Develop a company training curriculum which addresses the skills necessary to carry out all SIP functions.
  - Provide training to all company personnel involved with SIP, based upon their respective positions and responsibilities.
  - Specifically ensure SIP Examiners are provided the training necessary to carry out all activities associated with ICR and Exam Checklists.
  - Establish training records for each company person involved with SIP.
  - The Company SIP Agent must ensure that all company personnel involved with SIP are afforded the time necessary to conduct and/or participate in training.
  - Adjust the training curriculum as necessary to address problems discovered during examinations or CG inspections, changes in company personnel, or changes in relevant vessel systems and subsystems.
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#### Forms Management

**Note:** All listed forms shall be kept onboard SIP Vessels when the SIP Inspection OCMI is different from the SIP Approving OCMI.

- Inspection Schedule and Verification (ISV): Completed and maintained by SIP Vessel Representative.
- Exam Checklist: Completed by SIP Examiner and maintained by SIP Vessel Representative.
- Correction Report: Completed and maintained by the SIP Vessel Representative.
- Inspection Criteria Reference (ICR): Maintained by SIP Vessel Representative and available to SIP Examiner.

## Coast Guard Responsibilities

### Commandant (G-MOC)

- Maintains SIP NVIC and publishes appropriate, timely updates.
- Manage the program at the national level.
- Provide liaison between field personnel/commands and the public.
- Analyze program data and implement adjustments.

### Commandant (G-MO-1)

The Quality Assurance and Travelling Inspectors' Staff will provide support for field implementation and quality oversight of the SIP. This includes:

- Conduct start-up training for local OCMI and Companies interested in participating in SIP.
- Conducting initial Coast Guard SIP Inspection per OCMI zone for consistency in evaluation and implementation.
- Tracking progress of SIP implementation nationally for consistency.
- Reports regularly on SIP implementation, findings, and "lessons learned," making appropriate recommendations for improvement and/or adjustment to—
  - G-M
  - G-MO
  - G-MOC

### District Commander

- Receive and retain relevant data/information on SIP participants within their District for use in modifying enforcement, identifying trends and safety issues, and to initiate corrective action following notification of G-MOC-2.
- Review and take action on appeals originating from SIP issues.
- Ensure all OCMI's are provided the necessary training and staff to effectively promote and administer the program.

## OCMI

- Review the local vessel inspection program and ensure that the SIP is given priority consistent with the G-M business plan.
- Facilitate program knowledge in area of responsibility.
- CAP and VAP approval authority.
- Waiver authority.
- Ensure that proper process controls and measurement take place to monitor and constantly evaluate the progress and performance of companies participating in the SIP.
- Ensure all SIP Advisors receives appropriate training, time management and empowerment to carry out his/her duties.
- Ensure that all USCG SIP Advisors make the appropriate cultural adjustment to provide proactive customer service.
- Ensure remedial action is taken in a timely manner to keep SIP applicants and enrollees on-track.
- Act on USCG SIP Advisor recommendations for remedial actions and disenrollment.
- Collect and input required inspection data into the Coast Guard Marine Safety Database (e.g., currently MSIS, later to be MSN).
- Coordinate, as circumstances warrant, with District (m) and Headquarters staffs (G-MOC-2 and G-MO-1).

## USCG SIP Advisor

Note: The USCG SIP Advisor is not a billeted position. It is, rather, a "select-and-direct" assignment by the OCMI. A unit will, in all likelihood, have a number of SIP Advisors.

- The USCG SIP Advisor is the primary Coast Guard point of contact for the company and vessel. He/she is directly responsible for the advancement of the program. The SIP Advisor's responsibilities are:

1. To cooperate with the company.
2. Maintain customer focus.
3. Be a proactive participant in program monitoring, with the frequency and in the spirit outlined in this guide.
4. Provide the necessary feedback to the OCMI on individual company and vessel SIP progress.

5. Identify opportunities for program improvement.
6. Alert the OCMI concerning any remedial actions, possible disenrollments or appeals.
7. Confer with the OCMI to receive any feedback from companies who may have called.

Shared Responsibilities

- As an interactive, ongoing program there are any number of responsibilities shared by the company and the Coast Guard. Among these are:

Initial enrollement

1. Initial enrollment involves the first-time application and screening process for a company and its first vessel's entry into SIP. Particular attention must be given to the development of ICRs necessary to cover vessel unique systems or subsystems. This process was covered in Procedures for Participation, Ch. III.

Vessel Reinstatement

2. Vessel's may be reinstated following disenrollment, either voluntarily or involuntarily, provided:

- The vessel does not change ownership in the interim,
- The vessel and company remain, or return to being, eligible for enrollment in SIP,

Vessel Re-enrollment

3. The process of "re-enrollment" applies to scenarios where the ownership of the vessel has changed. The re-enrollment may involve all or part of the Procedures for Participation outlined in Ch. III.

Changes in Vessel Ownership Issues

- A vessel may be re-enrolled in SIP after a change in ownership, provided:
  1. The previous owner participated in SIP with one or more vessels;
  2. At the time of the sale the vessel was an active SIP participant;
  3. The new owner is an active participant in SIP at the time of the sale; and,
  4. The new owner receives approval from the cognizant OCMI

for a revised Vessel Action Plan that is consistent with the new owner's Company Action Plan.

**NOTE:** For changes of ownership, which involve the transfer of a vessel from a non-SIP company to a participating SIP company, or acquisition of a newly constructed/certificated vessel, the new owner may enroll the vessel upon approval of the VAP by the cognizant OCMI. **Any other scenarios will necessitate compliance with all provisions of Chapter III, Procedure for Participation.**

## Appeals of Coast Guard Decisions/Actions

Appeals of OCMI decisions will be made in accordance with the provisions of 46 CFR 1.03—Rights of Appeal.

## Monitoring Intervals

"Monitoring" refers to opportunities for Coast Guard and company interaction over and above periodic SIP Inspections prescribed by the regulations.

The appropriate frequency of monitoring is dependent on a number factors, including:

1. the stage of a company's SIP development;
2. assessment of performance indicators which point toward remedial action; and,
3. any changes in vessel operations.

It is expected that the most frequent monitoring will occur from the company's initial application through the trial period.

Although a mandatory regime for frequency of monitoring is inadvisable, the following general guidelines should help the company recognize reasonable expectations for Coast Guard support, and assist the OCMI with planning the allocation of inspector resources.

**Figure 2**

## RECOMMENDED USCG INVOLVEMENT SCHEDULE

Milestones		Frequency	
Application 1 – 2 Months	»	At Least 1 Call or Visit Per Week	<b>Monitoring Period</b>
Training & Trial Period > 3 Months	»	From 1 Call/Visit Per Week, Tapering to 1 Call/Visit Per Month	
Full Implementation (Minimum of 6 Months from Application)	»	1 Call/Visit Per Month	<b>SIP Inspection Period</b>
Next COI or RIN	»	Call Quarterly Visit As Needed, no less than Annually	

**NOTE:** It is the company’s responsibility to initiate all contacts.

Monitoring is the opportunity for the USCG SIP Advisor to assist the company with the development of its SIP. It is not to be taken as reason to initiate a formal Coast Guard inspection or SIP Inspection. Therefore, during typical monitoring the inspector should not take any enforcement action. Exceptions would include discovery of a major deficiency in firefighting or primary lifesaving. Otherwise, the USCG SIP Advisor should seek to correct any deficiencies noted through the mechanism provided in the Company’s Action Plan.

### Satisfaction in Service

If the Company SIP Representative is unsatisfied with the service provided by the USCG SIP Advisor, the owner should contact the OCMI to resolve the situation.

### SIP Inspection, COI Issuance, and Drydock Examinations

Monitoring is the term that describes Company and Coast Guard interaction from initial application up to full implementation. Thereafter this interaction is referred to as "SIP inspection"

» See Ch. II: Definitions for description.

At the point of full implementation as described in Chapter IV, a new Certificate of Inspection (COI) will be issued to the vessel, which will include the SIP endorsement. The date of this COI will be the anniversary date for as long as the vessel remains enrolled in the

program.

Under SIP there are no inspections in the traditional sense (e.g., COI, RIN, Mid-Period). Instead, Coast Guard marine inspectors will use the SIP Inspection form and procedures.

» See Ch. VI. D. for a copy of this form.

### Inspection Frequency

Thirty days prior to the anniversary date of the COI the company will submit an application for inspection. Upon receipt of the application, the OCMI will confirm with the USCG SIP Advisor, or last attending marine inspector, that the vessel is in full compliance with the VAP. If so, a COI will then be issued.

		Tradition Program	SIP
<b>Inspection Interval</b>		Per controlling Subchapter of 46 CFR	At least of a frequency equal to the controlling Subchapter of 46 CFR, but with OCMI discretion on nearness to anniversary dates, based on USCG SIP Advisor recommendations.
<b>Qualification of Inspector</b>		USCG Marine Inspector—fully qualified for the type of vessel involved.	USCG Marine Inspector—fully qualified for the type of vessel involved.
<b>Type of Inspection</b>	<b>COI</b>	Stem-to-Stern Inspection by USCG Marine Inspector for compliance with the CFR	Oversight inspection to confirm compliance with USCG approved CAP & VAP
	<b>Re-Insp / Mid-Period</b>	Less stringent than COI, but thorough enough to confirm vessel remains in compliance with condition of COI.	OCMI confirms compliance by review of oversight inspections, reports from both USCG SIP Advisor and Company SIP Agent. If OCMI is satisfied with verity of compliance, the Company SIP Agent is then authorized in writing from the OCMI to endorse the appropriate block of the COI.
	<b>Drydock</b>	Conducted by a Drydock Qualified Marine Inspector.	Conducted by a Drydock Qualified Marine Inspector. Drydock inspections are not included in SIP. This issue will be revisited in the future as the program matures.

	<b>Cargo Tank Internals</b>	Conducted by a Drydock or Hull Qualified Marine Inspector.	Conducted by a Drydock or Hull Qualified Marine Inspector. Cargo Tank Internal inspections are not included in SIP. This issue will be revisited in the future as the program matures.
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## Character of USCG SIP Oversight Inspections

The character of the Coast Guard oversight inspections is different than that of traditional Coast Guard inspections. Under SIP the Coast Guard marine inspector examines the SIP administration and performance, rather than direct inspection of vessel systems. The marine inspector's focus is on observing SIP performance indicators; actual verification that the SIP is being administered properly and that it is achieving its intended results. The primary performance indicators include:

1. Changes in operational parameters;
2. Breakdowns within the SIP process;
3. Materiel deficiencies; and
4. External indicators

The marine inspector will access these indicators by:

1. An administrative review;
2. A SIP performance review; and
3. A materiel review.

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## A New Dynamic Takes Place in How Inspections are Managed

Based on the observations made, the marine inspector will make the official inspection conclusions and recommendations.

The dynamic that takes place during an SIP inspection changes from one where the Coast Guard marine inspector directs the activities, to one where the Company Representative demonstrates the performance of the SIP. Under SIP, the company has agreed to conduct its vessel operations in compliance with the approved CAP and VAP. Examples of non-compliance represent a possible



breakdown in the SIP and may suggest expansion of the Coast Guard marine inspector's inspection. Under SIP, it is incumbent upon the company to verify compliance with the approved Plans.

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## Mid-Period Exams

For mid-periods or other periodic re-inspections required by regulations, the OCMI will again confirm with the USCG SIP Advisor, or last marine inspector who attended the vessel, that the vessel was in full compliance with the VAP. If so, the OCMI will instruct the Company SIP Agent to initial the COI in the appropriate block. The periodic SIP Inspection may be conducted any time during the year whenever it is most advantageous to both the company and the Coast Guard.

The Company SIP Agent is responsible for contacting the Coast Guard to schedule an inspection.

An annual SIP Inspection frequency is a minimum. If the OCMI believes that a vessel might not be in full compliance at any time, he may direct a marine inspector to conduct an SIP Inspection.

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## Drydock and Internal Structural Exams *ARE NOT* Included in the SIP

Until further notice, drydock and internal structural examinations will continue to be conducted in the manner prescribed by the applicable operational subchapter. SIP Inspections may or may not be conducted coincident with a drydock examination, at the discretion of the OCMI. As historical SIP performance data are collected and evaluated by the Coast Guard, drydock examinations may eventually be included within this program.

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## Oversight

SIP is an ongoing interactive process between the Coast Guard and a company's responsible SIP personnel. This interaction occurs naturally during inspections required by regulations. If SIP is operating properly, the Coast Guard inspection will take the form of a SIP Inspection.

This will typically entail—

- examination of the company's SIP documents,
- spot checks of vessel systems/subsystems,
- verification that the conditions aboard the vessel are as documented, and
- confirmation that noted corrective actions have been properly performed.

Oversight provides a necessary feedback loop for both the Coast Guard and the company. Oversight of the SIP involves addressing four general categories of performance indicators:

1. Changes in Operational Parameters,
2. Breakdowns within the SIP process,
3. Materiel Deficiencies, and
4. External Indicators.

Required regulatory inspections will provide the primary oversight and lead to one of three conclusions:

1. The SIP is functioning properly and the desired level of safety has been satisfactorily maintained without Coast Guard intervention.
2. There are deficiencies in one or more of the performance indicators which signals the need for remedial actions, such as revisions in SIP forms or closer adherence to the defined program; any of which warrant additional Coast Guard and company interaction.
3. The vessel should be disenrolled from the program.

While the first conclusion will lead to no specific follow-up action, both the second and the third will. The conclusion that the vessel should be disenrolled will require the Coast Guard to amend the vessel's COI to remove the SIP endorsement. The company must then decide whether to seek reinstatement or continue to operate under the traditional inspection program.

» See "Shared Responsibilities" Ch. IV, Sec C.

A requirement for remedial action, will be dictated by the severity of the breakdown of the SIP as per the performance indicators. For worst cases, remedial action will lead to disenrollment.

## Disenrollment

The breakdown in any of the four general categories of performance indicators could result in the automatic disenrollment of the vessel, depending on the severity of the breakdown. The following items, arranged under their respective performance indicators, will result in the automatic disenrollment of the vessel.

### *Operational Changes*

#### 1. Operational Changes:

- a. Operation of the vessel outside the scope of its COI or Stability Letter; or
- b. Sale of the vessel, that is, any selling of a vessel from one company/organization to another.

### *Process Breakdowns*

#### 2. Process Breakdowns:

- a. Unreported personnel casualty following a serious incident or accident involving death or injury which required emergency evacuation or removal from the vessel; or
- b. Unreported materiel casualty that impaired the vessel's seaworthiness, or resulted in damage to the vessel or other property in excess of \$25,000.

**CRITICAL NOTE:** Failure to report either 1 or 2 above indicates a company's lack of good faith in carrying out the company's SIP responsibilities.

### *Material Deficiencies*

3. Materiel Deficiencies: (if such deficiencies were obviously existent while the vessel remained in operation in other than an emergency situation):

- a. Missing primary lifesaving equipment;
- b. Inoperable fire pump(s);
- c. Missing required fire extinguishers;
- d. Unauthorized modifications of structural or fire protection arrangements;
- e. Unauthorized modifications of equipment or structural

- arrangements which resulted in a prohibited discharge;
- f. Failure to maintain required watertight boundaries;
- g. Intentional override of any overcurrent protection device;
- h. Insufficient or inoperable required electronic navigation equipment; or,
- i. Missing required EPIRB.

### *External Indicators*

4. Automatic disenrollment actions for External Indicators are not applicable. Such deficiencies are indicative of remedial actions and should be addressed accordingly.

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### Causes for Remedial Action

The breakdown in any of the four general categories of performance indicators will result in remedial actions appropriate for the severity of the breakdown. Such actions include, but are not limited to: (1) Further development of the Company's Action Plan; (2) Further training of company personnel; (3) More frequent SIP Inspecting by the Coast Guard; or (4) More frequent reports by company personnel. All remedial actions are based upon strengthened verbal and written communications between Company SIP Representatives, OCMI's, and USCG SIP Advisors.

1. Failure to notify the OCMI of the following Operational Changes may result in remedial action:

- a. Any change in responsible SIP personnel or company management;
- b. When a vessel permanently changes operating area to a different OCMI zone;
- c. Change in vessel service; or,
- d. The lay-up of the vessel.

2. The following process breakdowns may require remedial actions:

- a. Increase in the number of deficiencies noted by the company;
- b. Failure to follow VAP or CAP (including, but not limited to, reporting procedures, training/safety programs, or drug and alcohol programs);
- c. SIP Inspection deficiencies noted by the Coast Guard;
- d. nCrew complaint to Coast Guard; or,

e. Failure to update VAP in response to minor changes to vessel arrangement or equipment.

3. The following External Indicators may require remedial action:

- a. A proven Suspension and Revocation (S&R) case against any company person with designated SIP responsibilities;
- b. A monetary assessment or letter of warning against the company under Coast Guard civil penalty procedures;
- c. A reportable marine casualty;
- d. A substantiated passenger complaint to the Coast Guard; or,
- e. A change in applicable regulations.

**NOTE:** Remedial actions for Material Deficiencies are not applicable. Such deficiencies are indicative of process breakdown and should be addressed accordingly.

## Marine Safety Database Entry (MSIS/MSN)

It is critical that SIP vessels are tracked consistently and in a manner where they can be compared with those vessels operating under the traditional inspection program. While the Marine Safety program's new database system (MSN) is being developed, it will be necessary for official SIP activity to be collected in the existing MSIS database. Information collected during the course of the periodic Coast Guard oversight inspections and that gathered from company reported events are to be entered into MSIS in the same manner as one would for any non-SIP vessel. When MSN comes on-line there will be a field allocated for traditional and alternative inspection programs. Vessel's enrolled in SIP will be identified by this special field so that data can be queried on the SIP fleet separate from, or in comparison to, the traditionally inspected fleet.

In the interim, while MSIS is still operational, SIP vessels will be identified by querying the VFOD for the acronym "SIP." For this reason alone, it is imperative that the SIP endorsement be entered precisely as it is given on Section III, Page 14. The USCG SIP Advisor will enter the endorsement on the COI locally, along with all other inspection relevant information, and ensure that a copy of the

SIP Enrollment Approval Letter is forwarded to G-MOC.

The USCG Marine Inspector conducting the SIP oversight inspection will collect a copy of all ISVs and CRs as part of the inspection record. OCMI's may request data downloads for analysis of vessel activities by contacting G-MOA-2.

Unless there are deficiencies found that are required to be tracked in accordance with the directions on the next page, an MIAR entry to account for time and a brief narrative statement about the scope and findings of the oversight inspection will be the only MSIS entry made.

Additional instructions will be promulgated in the future as tracking, measurement, and migration to the MSN database continues.

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In addition to the above MSIS entries, Inspection Notes entries in MSIS must be made for the following Correction Report Codes. Entries will include the Correction Report Code, the System/Subsystem title and code, and a brief description of the occurrence. The following is an example of such an entry:

**INSPECTION NOTES:**

1530 X/XX Radar, secondary radar failed requiring servicing.

**Deficiency Codes Required to be Collected**

- 0600 (Series) Lifesaving Appliances
- 0700 (Series) Firefighting Appliances
- 0930 Stability and Strength
- 0936 Steering Gear
- 0960 Means of Escape
- 1000 (Series) Alarms
- 1240 Navigational Equipment
- 1530 Radar
- 1540 Gyro Compass
- 1615 Watch Receiver (Radio)
- 1671 EPIRB 406 MHz/1.6 GHz
- 1700 (Series) MARPOL Annex I
- 1900 (Series) MARPOL Annex II
- 2000 (Series) SOLAS Related Operational Deficiencies
- 2100 (Series) MARPOL Related Operational Deficiencies
- 9800 (Series) All Other Deficiencies of a nature clearly hazardous to safety, health, or the environment. Specify.

» See Ch. VI E: Deficiency Codes for list of codes for deficiencies.

## SIP Measurement Plan

Equally important, it is necessary that SIP be evaluated for its success in attaining the program goals, identification of program inefficiencies for improvement, and how well SIP vessels perform as compared to vessels operating under the standard inspection program. For this reason, specific measurement criteria of the Program's effectiveness will be designed and reviewed. Currently, field personnel are instructed to enter all relevant inspection related data for SIP vessel activities in an identical manner as non-SIP vessels.

OCMIs will:

- Ensure the MSIS/MSN data entry requirements of the previous section are performed.

G-MOC-2 will:

- Analyze MSIS/MSN data for trends and take appropriate actions based on those findings.

**NOTE:** Use the deficiency reporting procedures specified in MSM Vol. II, Ch.3.c.3.g. for capturing deficiency data. This information is to be entered in the MSDS product set of MSIS, or its future replacement in MSN.

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## FREQUENTLY ASKED QUESTIONS (FAQs)

A number of questions, concerns, comments, and myths have arisen about the Streamlined Inspection Program. The following information is provided in "FAQ" format to provide both the OCMI and industry personnel with clarification on common issues.

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### A. Inspection Programs

FAQs in this section deal with Inspection Programs in general.

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## **1. Can vessel owners/operators enroll in both ACP and SIP?**

The SIP and the ACP are two separate and mutually exclusive inspection programs.

- The SIP is an alternative method of conducting traditional Coast Guard inspections, with periodic oversight inspections conducted by Coast Guard marine inspectors.
    - The SIP is available as an alternative to any U.S. inspected vessel.
    - SIP requires compliance with the appropriate subchapter of Title 46 CFR.
  - The ACP provides for vessel inspections using inspectors employed by a recognized classification society.
    - The ACP is available only to vessels capable of operating on international voyages and classed through a recognized classification society.
    - ACP requires compliance with the vessel's class rules, international standards, and the U.S. Supplement in lieu of the CFR.
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## **2. Is SIP a Self-Inspection Program?**

Not completely, although the vast majority of the examinations verifying compliance with the regulations will be done by vessel personnel.

- Under SIP, company personnel are responsible for conducting regular tests and examinations of various vessel systems, recording their findings and initiating appropriate actions as specified in their OCMI-approved CAP and VAP.
  - The Coast Guard is still required to verify compliance with applicable regulations and the conditions of the company's approved plans.
  - The local OCMI approves Company and Vessel Action Plans, with Coast Guard marine inspectors conducting required periodic and follow-on inspections.
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## **3. Will Drydock exams be included in the SIP?**



At present, drydock examinations are not included in the SIP.

- The Coast Guard must evaluate SIP performance data before considering adding drydock examinations to this program.

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#### 4. Will Critical Area Inspection Program (CAIP) inspections be included in SIP?

The CAIP is not a regulatory program----- SIP only applies to the regulatory requirements for the vessel under the traditional inspection program.

**NOTE:** Currently, the Coast Guard is invited to attend CAIP surveys, but we are not required to witness the inspection. The CAIP surveys can be included as part of a CAP or VAP just like any other preventative maintenance program, if approved by the OCMI as part of the plan.

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#### 5. What will the USCG marine inspectors look at during the oversight inspection?

- Marine inspectors under the SIP will conduct their examinations to confirm compliance with the CAP and VAP. A copy of the recommended Coast Guard SIP Inspection Form and instructions on its use is provided in Section IV.D to this guidance, available from the SIP website linked to:

<http://www.uscg.mil/hq/g-m/gmhome.htm>

- The marine inspector will only expand the examination parameters if discrepancies are discovered or there is otherwise cause for concern.
  - These would be instances where the marine inspector believes the vessel is not being operated in complete compliance with the approved VAP.
  - The degree of severity of the discrepancy would dictate the actions taken by the OCMI. A major discrepancy, such as insufficient PFD's, would certainly lead the CG inspector to expand the scope of the oversight inspection and possibly lead to disenrollment actions. For a less serious, minor discrepancy, such as not having the vessel's name stenciled on 100% of the PFDs, the CG inspector would ensure a Correction Report was filled out. The OCMI may require an

increase in the SIP oversight frequency until satisfied that this was a unique incident, or that there exists some form of breakdown in the SIP. The OCMI, through the SIP Advisor, would work with the company to resolve the problem.

- The OCMI remains responsible for ensuring the safe operation of vessels within that inspection zone.
  - There is nothing in the SIP that diminishes the OCMI's authority or responsibility to ensure the safety of life, property, the environment, and facilitation of maritime commerce within that zone.

## B. Program Policy

FAQs in this section deal with SIP Program policy specifically, including the handling of prototype-SIP programs and the handling of other "quality" management standards/programs.

### 1. Will there be a change in the annual requirement for USCG oversight inspector?

*The SIP is an alternative to traditional Coast Guard inspections. A particular vessel inspection interval is determined by the regulations contained in the applicable subchapter. The intervals will change if the regulations for that class of vessel (e.g., Subchapter D barges) changes.*

### 2. Once a vessel is disenrolled, what are the parameters for re-enrollment or reinstatement?

Re-entry Mode	Applies When	Process

<p><b>Reinstatement</b></p>	<ul style="list-style-type: none"> <li>● Vessel has been disenrolled from SIP, voluntarily or involuntarily.</li> <li>● Ownership never changed during the interim.</li> <li>● Company seeks to have vessel's SIP status <b>reinstated</b>.</li> </ul>	<ul style="list-style-type: none"> <li>● Apply to OCMI for Reinstatement.</li> <li>● OCMI conducts historic review of company and vessel to ensure no major changes have occurred in either which may indicate unsuitability for enrollment.</li> <li>● Involuntarily disenrolled companies may request special consideration in light of improvement.</li> <li>● If satisfactory, reinstatement will be granted.</li> </ul>
<p><b>Re-Enrollment</b></p>	<ul style="list-style-type: none"> <li>● Vessel changes ownership.</li> <li>● Vessel was in SIP at time of sale.</li> <li>● Both prior and new owners are SIP companies.</li> <li>● New owner seeks to continue vessel in SIP.</li> </ul>	<ul style="list-style-type: none"> <li>● Same as for Reinstatement.</li> </ul>

**3. How will a merger between a SIP and non-SIP company affect the administration of the company's program?**

*It is dependent upon which company is absorbed, and which remains.*

- *In general, and contingent upon OCMI review, if the dominant management system remaining after the merger is that of the SIP enrollee, the previous SIP will in most cases continue after the necessary revisions are made to the existing CAP and VAP.*
- *On the other hand, if the dominant management system is that of the non-SIP company, the new entity will be required to fully comply with the enrollment procedures. This process should be simplified by the existence of a previously accepted SIP CAP and VAP.*

**4. Will user fees be reduced as an incentive to encourage vessel operators to enroll in SIP?**

*The Coast Guard will consider a regulatory project to review user fees for enrolled vessels when sufficient data is available. Prototype programs have had varying degrees of Coast Guard involvement and are not entirely representative of the Nationwide SIPs resource uses,*

*and therefore cannot be a basis for determining the overall costs or savings of the SIP.*

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## **C. Waivers**

FAQs in this section deal with SIP Program policy on granting waivers specifically, including new construction and vessels of unique design.

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### **1. Are there special provisions for newly-constructed vessels and recently-acquired, existing(i.e., new-to-company) vessels relative to the 3-year eligibility requirement?**

- Newly-constructed vessels are in the best condition they will probably ever be in. This is the best time to establish the vessel's base-line for enrollment.
- For recently-acquired existing vessels, if a company enrolled in the SIP takes the time to bring the vessel into full compliance, then a vessel's performance under the previous operator during the past 3 years should not be determinative of the vessel's eligibility for SIP enrollment with the new owner. In many instances, these vessels may be suitable for the SIP. Companies with one or more vessels already enrolled in the SIP need not meet the 3-year requirement in §8.515(b)(1) for a newly-constructed or recently-acquired vessel, upon OCMI approval. Generally, the period required for these situations will be that necessary to approve a VAP and verify its suitability through the operational evaluation period.

### **2. Are newly-formed companies eligible to participate, or are they required to establish a 3-year operational track record before application?**

The 3-year history requirement provides the OCMI with a record of a company's commitment to the safe operation of its vessels. However, under the waiver provision, the OCMI may consider enrolling a company or vessel that does not meet all the eligibility requirements.

An OCMI may allow a company with less than a 3-year's history to apply for enrollment. The determination as to whether or not to grant enrollment will be determined during the course of developing the CAP, VAP, and operational evaluation. If, in the OCMI's opinion, the company is sufficiently competent to manage their vessel(s) under SIP, the 3-year requirement may be waived. The minimal period

expected to be needed to make this determination is approximately one year.

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### **3. Are there special considerations for vessels of "unique design?"**

That determination is to be made by the OCMI in consult with the Marine Safety Center.

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### **4. May components of SIP be waived for a company that has implemented a recognized quality management program such as an ISM or the American Waterways Operators (AWO) RCP?**

The Coast Guard doesn't intend to impose a redundant burden on companies that have already implemented a quality management system, provided the training requirements of the quality management program meet those of SIP. For those companies that have a quality management system in place, the OCMI may consider accepting in the CAP and VAP those quality management components that meet the specific requirements for SIP. For example, evidence that the training conducted to meet a quality management program is consistent with that required under the SIP may prove satisfactory compliance with the SIP training requirement.

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### **5. When can a waiver be requested; who can request the waiver, the OCMI or the vessel operator; and is the waiver the equivalent of an appeal for a marine inspection requirement?**

A company may request a waiver at anytime. The company will request the waiver through its SIP Agent for any procedural requirement in Subpart E, such as eligibility. Waiver of substantive inspection requirements, however, should be submitted in accordance with procedures in the subchapter containing the requirement.

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## **D. Plan Development (CAP & VAP)**

FAQs in this section deal with issues centering on the development

of required SIP Company and Vessel Action Plans.

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**1a. Do barge fleets have to develop a separate VAP for each vessel? May companies, instead, develop a VAP for each barge series where the construction, piping, and configuration are consistent?**

A series VAP might be acceptable for similar barges. However, a VAP needs to be on board an unmanned barge.

- Inspection certificates and company documents are routinely maintained on board unmanned vessels.
- Coast Guard inspection documents are required to be on board.
- The VAP is an inspection document that the company and the Coast Guard may need to access at any time.

**1b. Must VAPs be maintained on board unmanned barges, or may they simply be available to the Coast Gaurd upon request?**

Yes. Having the VAP maintained on board the vessel ensures availability.

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**2. May documents and plans created for other "Quality Management Programs? (e.g., the RCP, ISM, ISO 9000) be used in Plan development, since elements of these are similiar?**

- The use of ISM documentation or other documents, such as those developed for the RCP or ISO 9000, may be incorporated into a CAP or VAP.
  - Ultimately, the CAP and VAP must contain all the required material in order to be approved by the OCMI.
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**3. May coputer-based or other type of PMS be used in the SIP?**

Companies that have in place a computer-based, or otherwise established PMS, may incorporate that system into their SIP. Suitable cross-referencing must be provide so that any USCG

marine inspector will be able to conduct the requisite periodic inspections without difficulty.

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#### **4. Must the CAP include appenices which incorporate the VAPs for each enrolled vessel?**

The CAP and VAPs are interdependent documents. It is necessary that each VAP be accessible to the company SIP Agent, as well as having a vessel-specific copy maintained on the vessel. How this is satisfied is left to the USCG SIP Advisor and Company SIP Representative to work out.

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#### **5. When is a company required to submit plan revisions to the OCMI for approval?**

The Coast Guard must be kept informed of changes that affect a company's CAP or VAP. The company SIP Agent and OCMI's SIP Advisor should agree on a frequency for review, revision, and submission of revisions for approval.

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#### **6. As an alternative, can companies use a cross-reference sheet or glossary to define the prototype program or other existing program nomenclature in terms of the nationwide SIP's nomenclature?**

- Yes. However, approved plans must be in compliance with the national SIP final rule.
  - An in-place prototype program already in compliance with the national SIP with the exception of nomenclature, may include a cross-reference glossary or index, as long as it allows confirmation of a plan's compliance with the requirements of the national program.
  - Companies enrolled in locally-endorsed prototype programs have 3 years to bring their plans into compliance with the national standards, after notifying the local OCMI of their intention to do so no later than 17 December 1998.
  - Components of other quality management schemes, or other company defined nomenclature, may be incorporated into the SIP Plans, provided adequate cross-referencing is made.
  - The OCMI has the flexibility and authority to accept revisions to prototype plans.
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## E. Vessel Specific Issues

FAQs in this section deal with Vessel Specific SIP Program policy.

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### 1. Does the CAP and/or VAP have to be approved in each OCMI zone the vessel operates in?

- For Sisterships: Once the CAP has been developed and approved for the first vessel, it can be used as part of the application to the next OCMI zone.
- Adding New OCMI Zones and Vessels: Revisions to the CAP will be required only as it pertains to operations under the SIP in the new location and management of the additional vessel. (e.g., geographically specific information, such as contractors, company personnel, addresses and phone numbers, etc.).

CRITICAL NOTE: A CAP and VAP will be approved ONLY ONCE. The only time another OCMI will be involved with "approving" a previously approved CAP or VAP will be for "Changes in Employment" (Vessel adds or moves to another OCMI zone) or another vessel is added to the SIP fleet (revisions to the CAP and new VAP, or modifications of existing VAP—if sister-ships).

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### 2. Does a vessel's age impact its eligibility?

- The Coast Guard's experience has been that the age of a vessel is not the most reliable indicator of its condition or suitability for continued safe operation.
- Age alone is not, therefore, a singularly disqualifying factor for SIP eligibility.
- In considering a vessel for enrollment, the OCMI will review all aspects of a vessel's condition, its history, and the operational and management practices relative to the vessel's service.

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### 3. How will uninspected towing vessels (UTVs) which operate with SIP-enrolled passenger barges be dealt with?

This configuration presents a unique situation. Under SIP, the Coast Guard can only require a vessel owner to comply with the regulations applicable to the vessel.



- While there are regulations applicable to UTVs, there currently are no regulations that apply to UTVs that would require routine Coast Guard inspection.
  - Nevertheless, it certainly would be prudent for a vessel owner operating this arrangement to operate the UTV in accordance with a recognized quality assurance program, such as that being used by the Eighth Coast Guard District or the American Waterways Operator's Responsible Carrier Program (RCP).
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#### 4. Can new-builds be constructed to SIP regulations?

No. SIP is process for conducting inspections, not an independent set of controlling vessel inspection subchapters under 46 CFR. For instance, a T-Boat enrolled in SIP is still certified as being in compliance with 46 CFR, Subchapter T—not 46 CFR Subchapter A, Part 8.

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#### F. Use of Outside Contractors

FAQs in this section deal with the use of outside contractors in a company's SIP Program.

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##### 1. Will outside vendors who repair and service certain equipment be able to serve as SIP examiners?

No. The SIP requires company personnel to conduct examinations.

- Company personnel's participation will provide a sense of ownership and improve safety awareness.
- Company's may use a third party surveyor for consultation and support, but the liaison between the Coast Guard and vessel must be through a bona fide company employee with the authority to make binding agreements on the company's behalf.
- A Third-Party Surveyor **MAY NOT** be used to conduct and record the VAP required examinations. The Company conducted examinations **MUST BE CONDUCTED BY COMPANY PERSONNEL.**
- Outside consultants may be utilized in program development and personnel training, but vessel personnel must conduct the vessel examinations.

## **2. What is the policy regarding use of third-party personnel (e.g., outside marine surveyors, class societies, consultants, vendors, etc.) to inspect and certify inspected equipment and correct any deficiencies?**

It is recognized that the maintenance, examination, or servicing of certain shipboard systems may be beyond the scope of a company's vessel or shoreside personnel. In these cases, outside expertise may be appropriate.

- Outside personnel utilized in this manner must be included in the VAP.
  - Section 8.530(a)(4) requires that the CAP identify the responsibilities of those individuals who examine and maintain equipment and how to verify and recorded their satisfactory performance. This applies to outside personnel, as well.
  - The company's SIP Agent remains responsible for verifying that the work is completed by approved facilities and qualified personnel where required, that the equipment is installed and functioning properly, and the work has been properly documented.
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## **G. Fleet Operators and/or Operations in in Multiple OCMI Zones**

FAQs in this section deal with how companies that operate a fleet of vessels, and/or in multiple OCMI zones are to be managed under SIP Program policy.

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### **1. Is there a difference in procedure for sister vessels that operate in ports other than that in which the first vessel is initially enrolled?**

- The previously-approved CAP need only have those sections which will be modified (e.g., personnel, area of operations) by the addition of the new vessel reviewed.
  - Subsequent OCMI review should focus on the revision of the CAP as it pertains to their zone.
- Section 8.530(a)(3) requires that the CAP contain information on designated SIP support personnel responsible for implementation and oversight of the program.
- The VAP will have to be modified as it is vessel- and area-specific.

**2a. How are the vessels that operate in more than one OCMI Zone to be dealt with?**

For companies with vessels in more than one OCMI inspection zone, the CAP will be approved by the cognizant OCMI in the zone where the initial application for the SIP enrollment is made.

**2b. How will the OCMI zone be determined for the companies operating under multi-vessel fleets in multiple OCMI zones?**

- The same requirements that regulate the operation and inspection of any vessel in more than one OCMI zone apply to the SIP vessels.
- The Coast Guard's internal implementation guidance should ensure consistent implementation of the SIP.
- The VAP will have to be modified as it is vessel- and area-specific.

The preferred procedure is to have the OCMI for the zone in which the initial vessel primarily operates do the initial enrollment for both company and vessel. Thereafter, each additional vessel should be enrolled in the zone it primarily operates, with that OCMI reviewing those revisions to the CAP necessary to include the new vessel in the SIP.

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**VI. Streamlined Inspection Program (SIP) Forms**

- A. Inspection Schedule and Verification (ISV) Forms
- B. Examination Checklist (EC)
- C. Correction Report (CR)
- D. Coast Guard SIP Inspection Form
- E. Inspection Criteria References (ICR) for Subchapters

1.a. 46 CFR Subchapter D/O: Tank Barges

1.b. 46 CFR Subchapter D/O: Tankships

2. 46 CFR Subchapter H: Passenger Vessels

3. 46 CFR Subchapter I: Cargo and Miscellaneous

4. 46 CFR Subchapter K: Small Passenger Vessels

5. 46 CFR Subchapter L: Offshore Supply Vessels

6. 46 CFR Subchapter T: Small Passenger Vessels,  
Less Than 100 GT

F. Deficiency Codes