



16711/Serial No. 765
CG-CVC Policy Letter 20-02
October 28, 2020

From: M. Edwards, CAPT
COMDT (CG-CVC)

To: Distribution

Subj: INSPECTION GUIDANCE FOR HIGH RISK SMALL PASSENGER VESSELS

Ref: (a) 46 Code of Federal Regulations (CFR) part 115
(b) 46 CFR part 176
(c) 46 CFR § 2.01-10
(d) 46 CFR § 1.01-10

1. PURPOSE. This policy letter provides Officers in Charge, Marine Inspection (OCMI) with inspection guidance for high risk small passenger vessel (SPV) inspection.
2. ACTION. OCMI's shall actively employ risk management when managing SPV inspections within their Fleet of Responsibility (FOR). This policy letter will expire January 1, 2024.
3. BACKGROUND. Risk assessment and risk management are daily activities for Coast Guard personnel involved in vessel compliance activities. OCMI's use formal and informal assessments to balance workforce constraints with the need to facilitate a safe and efficient maritime industry.

The types of SPVs and nature of operations vary greatly from small water taxis within a harbor to large, overnight ocean going vessels. Vessels are constructed of a variety of materials, use differing technology, and can be newly built or more than a century old. The associated probability of a marine casualty and the subsequent consequence to people, property and the environment likewise varies greatly across the SPV fleet. Vessels that pose greater risk may receive greater Coast Guard oversight than corresponding vessels that pose a lower risk.

Using various computational methods, machine learning-enabled software, and the Coast Guard's database of deficiency and casualty information, the Office of Vessel Compliance (CG-CVC) developed a model identifying high risk SPVs. The model evaluates numerous factors, including the compliance history, number of passengers carried, vessel type, vessel age, route, and history of vessels in related operations to identify vessels that have the greatest risk.

4. POLICY. Beginning January 1, 2021, the results from the SPV risk model shall be used to prioritize SPV inspections. It is important to note that vessels determined to be high risk are not presumed to be non-compliant. Rather, these vessels were selected based on the specific vessel history and performance of similar vessels. Below are the roles and responsibilities:

- a. Office of Commercial Vessel Compliance (CG-CVC):
- 1) Annually, CG-CVC shall develop a list of high risk vessels based on updated information in MISLE and ensure OCMI's have access to the vessel names.
 - 2) CG-CVC shall routinely review MISLE casework to ensure consistent program implementation across OCMI zones.
 - 3) While the list of high risk vessels will not be made accessible to the public, CG-CVC shall notify the owner or operator of a vessel, as noted on the Certificate for Inspection (COI), when the vessel has been added to or removed from the high risk vessel list.
- b. OCMI's:
- 1) The OCMI shall assign an Advanced Journeyman Marine Inspector (AJMI) to perform the initial, renewal, and annual COI inspections on high risk vessels. If an AJMI is not available, the designated OCMI shall select the most experienced qualified Marine Inspector (MI) to conduct the inspection and document the waiver in MISLE.
 - 2) Except for SOLAS voyage vessels,¹ all SPVs must undergo an annual inspection, per references (a) and (b), where the MI will conduct an inspection similar in scope to a COI inspection, but to a lesser degree. During the inspection, the MI may require any tests or inspections deemed necessary to assure the seaworthiness of the vessel. For high risk vessels, the cognizant OCMI should adhere more closely to the format for subsequent COI inspections as outlined in subsections 46 CFR 115 Subpart H or 176 Subpart H, as applicable, including the completion of satisfactory drills as required in that subsection.
 - 3) Since passengers are not typically present during the inspection described in paragraph (4)(b)(2), MIs shall conduct a follow-on inspection on high risk vessels when passengers are on board. The focus of this inspection is on the performance of crewmembers and operational condition of the vessel with passengers on board. As authorized by reference (c), a follow-on inspection for high risk vessels shall be conducted at least once a year, preferably 5 to 7 months after the annual inspection.² The follow-on inspection is not intended to be an unannounced inspection and should be scheduled with the operator to observe the vessel in a typical operating condition while minimizing impact on business operations. The operator is not expected to prepare the vessel for a material inspection (e.g. life jackets need not be removed from stowage). The MI should conduct a brief walk

¹ Per 46 CFR 115.107(a) and 46 CFR 176.107(a), the COI is valid for one year for vessels carrying more than 12 passengers on international voyages.

² For vessels with seasonal operations, the follow-on inspection may be conducted 2 to 3 months after the annual inspection.

through of the vessel to assess the general material condition, fire load, and the addition or relocation of weight that may affect stability. Further, the MI shall evaluate crewmembers' knowledge of emergency procedures, watch standing responsibilities, and operation of engineering and safety systems. If the MI has evidence that a crew member is unfamiliar with their responsibilities, the MI may require the crew conduct a drill or demonstrate the proper operation of equipment to assess the crew's ability to safely operate the vessel. Any qualified MI may conduct this inspection.

- 4) The designated OCMI shall be briefed on the annual inspection results on each high risk vessel. Initial and reissuance COIs issued to high risk vessels under Subpart D of reference (a) and (b) shall be signed by the designated OCMI.
 - 5) The OCMI should not be limited by the CG-CVC high risk vessel list. The OCMI may continue to use their discretion to identify additional vessels that are high risk and inspect them accordingly.
 - 6) The OCMI may recommend to CG-CVC, via a memo through the District and Area, that a vessel be removed from the high risk list maintained by CG-CVC.
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 document provides operational guidance to Coast Guard personnel. It does not impose requirements on any person outside the Coast Guard. All inspection requirements discussed in this document are found in existing regulations specified in the references section.
9. 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@uscg.mil. This policy letter and other Domestic Vessel Policy documents are posted on the CG-CVC website at http://www.uscg.mil/hq/cgcvc/cvc/policy/policy_letters.asp.

#