



Marine Safety Center Technical Note

MTN 04-03, CH-3
16703
December 30, 2016

MARINE SAFETY CENTER TECHNICAL NOTE (MTN) NO. 04-03, CH-3

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 2-95, as amended, "The Alternate Compliance Program (ACP)"
 - (e) NVIC 3-97, "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) 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 work performed on behalf of the Coast Guard by 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, the term "authorized classification society" (ACS) is used to refer to any organization duly recognized to perform technical work on behalf of the Coast Guard.

3. Discussion:

- a. The MSC is responsible for ensuring technical work performed on behalf of the Coast Guard by third parties 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.

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Supplement development, and Officer in Charge, Marine Inspection (OCMI) oversight of delegated vessel inspection functions in the field.

- 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. The ACS must understand what is expected when performing work on behalf of the Coast Guard, and the MSC must facilitate that understanding by establishing clear policy. The MSC is the primary Coast Guard unit responsible for making interpretations of technical requirements and will provide guidance and clarification to ACSs as needed. A staff level phone call or a written request for clarification prior to ACS approval on behalf of the Coast Guard will be more beneficial than corrective action after work has already been completed.

4. Action:

- a. Equivalencies and Exemptions: ACSs are not authorized to approve equivalencies or grant exemptions on behalf of the Coast Guard.
 - i. Equivalencies are alternative arrangements, materials or equipment that may be authorized under Coast Guard regulations if they provide a level of safety equivalent to that provided by the applicable standard. Requests for equivalency determinations should be forwarded to the MSC for consideration, along with the ACS's evaluation and recommendation regarding the merits of the proposed alternative. The MSC will review the equivalency request and take appropriate action.
 - ii. Exemptions are waivers of specific standards or requirements and are not granted by the MSC. Exemptions are rarely necessary or appropriate since it is generally possible to employ alternative equipment, design and/or arrangements that provide a level of safety equivalent to that intended by regulation. If an exemption is necessary, the MSC

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- can assist ACSs by coordinating the review process with the cognizant OCMI or appropriate office at Coast Guard Headquarters.
- b. Notification: The MSC must be notified when ACS technical work is completed on behalf of the Coast Guard. The notification must be made in the form of an email attachment delivered to assessment-msc@uscg.mil, using the worksheet described in enclosure (1) and available for download on the MSC's website, unless otherwise specified or authorized by the MSC. The ACS should only notify the MSC of those items "Approved" or "Issued." Items that are returned for revision, held in abeyance, or otherwise not approved should not be listed in the notification worksheet.
- c. Selection:
- i. The MSC will regularly review ACS notifications and select items for oversight. Selections will be made 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 must submit selected items, corresponding approval letters, and supporting documentation necessary for the approval or issuance of these items, to the MSC within 5 working days. Submitted material may be sent as email attachments to msc@uscg.mil, or transmitted via an authorized file exchange method (e.g., the AMRDEC Safe Access File Exchange at <https://safe.amrdec.army.mil/SAFE/>). Submittals must include the reference number assigned in the notification email. Alternatively, submittals may be mailed to:

Commanding Officer
Marine Safety Center
US Coast Guard Stop 7430
2703 Martin Luther King Jr. Ave, SE
Washington, DC 20593-7430

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.

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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. 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 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 behalf of the Coast Guard.
- f. Follow-up: Required ACS follow-up action for oversight findings will be described in the associated MSC letter. Regardless of whether follow-up action is required by the MSC, the ACS must evaluate the 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 must identify a central point of contact to serve as liaison with the MSC on oversight issues. The ACS representative should work with the

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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. Contacts: Any questions or concerns regarding this MTN, the MSC oversight program, or pending oversight issues should be directed to the MSC Oversight Coordinator. Technical questions should be directed to the appropriate Division or Branch Chief.

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.

J. W. MAUGER

Encl: (1) Notification Worksheet 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 Worksheet Instructions

General:

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 at 202-795-6729 or by email at msc@uscg.mil.

The notification worksheet is used for informing the MSC of ACS work items that are “Approved” or “Issued” on behalf of the Coast Guard. “Approved” items include typical plan review activities. “Issued” items include tonnage and load line assignments. Work items returned for revision, or otherwise not approved, should NOT be entered on the worksheet.

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. Submit one worksheet per email, as multiple worksheets in one email cannot be handled by the MSC’s automated file processing software. Send the email to assessment-msc@uscg.mil.

Worksheet Column Descriptions:

Column	Title	Description	Format	Required?
A	ACS	Authorized Classification Society (ACS) performing the work on behalf of the Coast Guard.	Drop-down menu	YES
B	Authority	Statute, regulation, policy, or program authorizing the ACS to perform technical work on behalf of the Coast Guard.	Drop-down menu	YES
C	ACS ID No.	ACS’s unique vessel/structure identification number.	Alpha-numeric	YES
D	Submittal ID No.	Optional ACS internal task, approval, or tracking number.	Alpha-numeric	NO
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	YES
F	Plan Number	Drawing, document, or certificate number.	Alpha-numeric	YES
G	Revision	Revision, alteration, edition designation. Required for plan review.	Alpha-numeric	YES*
H	Revision Date	Date of revision cited in Column G. Required for plan review.	DD-MM-YY	YES*
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	YES
J	Secondary System	Optional system description to supplement primary system description.	Drop-down menu	NO

K	ACS Approval Date	Date the work item was approved or issued by the ACS.	DD-MM-YY	YES
L	Vessel Name	Name of the vessel/structure if known. Required for tonnage measurement; optional for other activities. See Column O for treatment of multiple hulls.	Text	YES*
M	Vessel 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. Not required for tonnage measurement.	Drop-down menu	YES*
N	Builder	Name of the vessel builder. If unknown, enter "unknown".	Text	YES
O	Hull No.	Vessel 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	YES
P	MSC Project No.	MSC Project No. assigned to vessel(s). If unknown, leave blank.	"P000000"	NO
Q	VIN	Unique vessel identification number. Required for tonnage measurement.	Alpha-numeric	YES*
R	VIN Type	Type of VIN. Required for tonnage measurement.	Drop-down menu	YES*

* Required in some cases. See Description for details.