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To:	All Surveyors/Auditors
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<b>Towing Vessel Inspection Options</b>	
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Reference:	USCG 48 CFR Subchapter M
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**Towing Vessel Inspection Options**

Towing vessel work is versatile in nature and has supported economic growth in the U.S. and abroad. Further, the smaller number of required crew members to operate these towing vessels provides personnel cost savings to vessel owners when compared to the larger crews employed upon deep-draft vessels.

After the towing industry experienced a number of marine casualties, towing vessels were re-classified as inspected vessels in 2004 under the Maritime Transportation Act of 2004. Subsequently, the United States Coast Guard (USCG) requested public comments and held public meetings to field ideas on how to move forward with the new rulemaking. Towing Safety Advisory Committee (TSAC) working groups were also formed to collect information and make recommendations to the USCG regarding the Notice of Proposed Rulemaking (NPRM). The final Subchapter M regulation was published on June 20, 2016, and went into effect on July 20, 2016, with most of the requirements delayed for two years or until a vessel is issued a Certificate of Inspection (COI).

Domestic towing vessel operators are now tasked with preparing their fleets to comply with most of the requirements outlined in 46 CFR Subchapter M by July 20, 2018. To reduce the burden placed on industry stakeholders, the USCG has mandated a four-year phase-in period for towing vessel owners to obtain COIs for 25 percent of their fleets each year. The first 25 percent of an owner's towing vessel fleet must be certificated on or before July 22, 2019, with an additional 25 percent

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certificated each year until the final deadline of July 19, 2022. All affected towing vessels must hold valid COIs by July 2022. Owners only operating one towing vessel must obtain a COI for that vessel by July 20, 2020.

The challenge for vessel owners is to determine where their vessel(s) fit into the compliance spectrum and establish a pathway that will facilitate a smooth transition into certificated status. An operator may choose to achieve and maintain certificated status through the Coast Guard inspection option or the Towing Safety Management System (TSMS) option. There is not a one-size-fits-all compliance approach, so it is important for towing vessel operators to carefully consider the factors discussed herein.

Towing vessel owners and operators must first ask themselves “What is the nature of our towing work”? This will allow them to determine if their towing vessels must wholly, partially or not comply with Subchapter M. To understand the applicability of the regulation, the towing industry must look to 46 CFR Part 136.105, which establishes that a towing vessel greater than or equal to 26 feet in length or a towing vessel of any length that moves barges containing hazardous cargo are subject to the requirements contained in Subchapter M. Exemptions and exceptions are also provided in this section so they must review these to determine if their fleet may be exempt from some or all of the requirements of the Subchapter.

After identifying their fleet’s inspection requirements, they must consider their operating model and decide which inspection option suits their needs.

### ***Subchapter M attendance requirements***

Before towing vessel owners and operators can select the best inspection option for their fleet they should examine the requirements associated with each. The Coast Guard option requires towing vessel owners to schedule an inspection with the local Officer in Charge, Marine Inspection (OCMI) once a year for each vessel. Owners choosing this option must implement a Health and Safety Plan that meets the requirements of 46 CFR 140.505 by July 22, 2019. The USCG also requires a three-month inspection notice prior to the desired inspection date. A dry-docking and internal structural examination is required to be carried out once every five years for vessels that do not operate in salt water more than six months in any 12-month period and twice every five years for vessels that do operate in salt water more than six months in any 12-month period.

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The TSMS option permits owners to work with a USCG-approved Third Party Organization (TPO) that will provide oversight of and conduct vessel surveys and/or audits for a given fleet of vessels. The TSMS option requires towing vessel owners to schedule an annual towing vessel survey that meets the scope of 46 CFR 137.220. Additionally, a vessel audit must be scheduled once every five years to include the elements outlined in 46 CFR 138.220 for a TSMS.

Shoreside management audits shall be carried out twice in five years with the mid-period audit occurring between the 27th and 33rd month of the TSMS certificate's five-year validity period. An annual internal audit of each vessel and management office must be carried out by a qualified company employee who meets the conditions specified in 46 CFR 138.310 (d). To assist owners in safety management system creation and implementation, an already-approved safety management system may be selected and used as a template for developing a TSMS. The International Safety Management System and the American Waterways Operators' Responsible Carrier Program are two such safety management systems. Owners should review the framework of each management system to identify the best fit for their own operation before making a selection.

Although vessel owners mostly interact with their TPO for operational matters, the USCG reserves overall authority for operational activities, and notification of such activities must be provided to the local OCMI where these activities will take place. Owners must provide the local OCMI 72-hour notification for TSMS audits. There is no USCG notification requirement for external surveys conducted by a TPO unless the vessel is to undergo a credit drydocking or internal structural exam.

Just like the Coast Guard inspection option, vessels using the TSMS option are required to undergo a drydocking and internal structural examination once every five years if they do not operate in salt water more than six months in any 12-month period and twice every five years if they do operate in salt water more than six months in any 12-month period. Now with a complete understanding of the available inspection options, which option should owners choose? To make the most beneficial choice for their fleet, owners should consider variables within each option.

### **Oversight**

Owners choosing the Coast Guard inspection option will work with the USCG directly in obtaining and maintaining COIs for their vessels. As mentioned, owners must schedule their annual vessel

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inspections with the local OCMI three months in advance of the desired inspection date. Projecting vessel location this far out could prove to be very difficult. This said, if an owner operates a fleet of vessels that operate in a small geographic area then they may be able to provide such advanced notice without issue. Inspection scheduling will be subject to the availability of the local USCG inspections team.

Each owner choosing the TSMS option must create and employ a USCG-approved TSMS ashore and on board each operated vessel, as well as schedule audits and surveys at the intervals previously described. Leading industry operators have been utilizing safety management systems for years to improve safety for their people, property and the environment. These systems also promote efficient operation and improved performance. Positive performance and safety metrics may be considered by insurers and potential customers. Partnering with a TPO that employs highly experienced, well-trained surveyors and auditors will provide owners access to an additional pool of knowledge without having to hire full-time employees for their own companies. Partnering with a TPO should also provide for greater scheduling flexibility, which will allow operators to carry out their business largely uninterrupted.

To meet vessel survey requirements, owners may hire a TPO to conduct the annual surveys on board their vessels or may utilize their own qualified, in-house surveyors to conduct annual, drydocking and internal structural examination survey work. If selecting the “internal” survey option, owners must ensure that their surveyors have the qualifications and experience outlined in 46 CFR 139.130 (c). This internal survey work may be carried out at one time or divided over an extended period of time so long as no more than 365 days lapse between survey of any item required to be surveyed. Although a company’s own qualified personnel carry out internal survey work, the TPO approves and maintains oversight of the internal survey program and reserves the right to attend associated survey work at any time.

### ***Choosing a compliance option***

At this point, we should be able to determine which option is most attractive to our individual operation and make the necessary arrangements for preparing our vessels for inspected status. Owners choosing the Coast Guard inspection option should reach out to their local OCMI as soon as possible to begin planning for the inspection of their fleet. If availability permits, your local inspection team may be able to come out and benchmark your progress toward full compliance

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and provide corrective action information. Continued dialogue between vessel operators and the USCG is encouraged whether an operator chooses the Coast Guard inspection or TSMS option.

If the TSMS option is the correct fit for your operation, who are the TPOs approved to carry out the audit and survey work? The USCG lists approved TPOs on their website. Classification societies, such as the American Bureau of Shipping (ABS) are listed separately and are also approved to carry out both the survey and audit functions of a TPO. At the time of this writing, there are 15 organizations approved to carry out TPO work. With such a large number of choices it is important for operators to exercise due diligence and meet with candidate TPOs before making a final selection.

There are several important factors to consider when evaluating and selecting a TPO for compliance partnership. The first is to understand the qualifications and training of the TPO's personnel. 46 CFR 139.130 outlines the minimum requirements for surveyors and auditors employed by a TPO but these are just a baseline standard. Owners should consider the geographic coverage that a TPO can provide to readily respond to survey and audit requests. Other questions that should be asked include: "Has the leadership of the TPO's program actually worked and lived on towing vessels themselves?", "Have they lived through the challenges that we face on a daily basis?" and "What is the TPO's history of working with USCG on flag State compliance matters?" Those who have worked on towing vessels are better positioned to identify common and uncommon issues before they become actual problems.

REFERENCES:

- 46 CFR CHAPTER I

*Part 1 Organization, General Course and Methods Governing Marine Safety Functions*

*Part 2 Vessel Inspections*

*Part 15 Manning Requirements*

- ATTACHMENTS: No.

Kindest Regards,  
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