



Marine Safety Center Technical Note

MTN 04-03, CH-2
16703
June 15, 2012

MARINE SAFETY CENTER TECHNICAL NOTE (MTN) NO. 04-03, CH-2

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, Change 2, 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, Change 2, The Alternate Compliance Program (ACP)
 - (e) NVIC 3-97, Stability Related Review Performed by the American Bureau of Shipping for U.S. Flag Vessels

1. Purpose: This Technical Note 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 recognized under the provisions of references (a) through (e).

2. Applicability: This MTN applies to plan review and other technical work performed on behalf of the Coast Guard by authorized classification societies, authorized measurement organizations, assigning authorities, and other third parties recognized under the provisions of references (a) through (e). It supersedes previous guidance and administrative policy regarding MSC plan review oversight. Additional guidance applicable to tonnage measurement is available in MTN 01-98. *Note: Throughout this MTN, the term "authorized classification society" (ACS) is used to refer to any organization duly recognized under the provisions of references (a) through (e) 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 in references (a) through (e). 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. Supplement development, and Officer in Charge, Marine Inspection (OCMI) oversight of delegated vessel inspection functions in the field.

Subj: TECHNICAL SUPPORT AND OVERSIGHT OF AUTHORIZED CLASSIFICATION SOCIETIES

- b. Key steps to successful MSC oversight include:
 - i. timely notification of work completed by the ACS;
 - ii. MSC identification and selection of 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, 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' 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 can assist ACSs by coordinating the review process with the cognizant OCMI or appropriate office at Coast Guard Headquarters.

Subj: TECHNICAL SUPPORT AND OVERSIGHT OF AUTHORIZED CLASSIFICATION SOCIETIES

- b. Notification: The MSC shall be notified when plan approval, tonnage assignment, or loadline assignment action is completed on behalf of the Coast Guard. The notification must be made in the form of an email attachment delivered to msc@uscg.mil, using the worksheet shown in enclosure (1) and available for download at homeport.uscg.mil/msc, 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 will be selected randomly to ensure all types of plan review are subject to oversight. In addition, plans may be selected for oversight by the MSC when specifically requested by Coast Guard OCMI's.
 - ii. When an item is selected for oversight review, the ACS point of contact identified in the notification worksheet will be informed via email. Items selected for review will be identified using the same information provided in the notification worksheet.
- d. Submittal: The requested information shall be submitted to the MSC within 5 working days. Plans or work items, corresponding approval letters, and any comments generated by the ACS may be sent as email attachments to msc@uscg.mil. Submittals shall include the reference number assigned in the notification email. Alternatively, submittals may be mailed to:

Commanding Officer
Marine Safety Center
2100 2nd St. S.W. Stop 7102
Washington, D.C. 20593-7102

If additional information or clarification is required during the review, MSC staff will contact appropriate ACS staff identified in the submittal. Oversight activities will usually be completed by MSC within 30 calendar days of receipt.

- e. MSC Review:
 - i. 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: The MSC and ACSs use different categorization schemes to identify individual work items, and this occasionally leads to a discrepancy between the intended selection and what is actually submitted. An oversight activity may be closed with no review if a work item is selected in error, or does not match the

Subj: TECHNICAL SUPPORT AND OVERSIGHT OF AUTHORIZED CLASSIFICATION SOCIETIES

item listed on the notification worksheet. The ACS will not normally be notified of "no review" items; however, the data may be included in regular oversight statistics reports.

- (b) Satisfactory review: A review of the submitted work item was completed and no observations or nonconformities 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 revealed nonconformities or observations. The ACS will be notified via formal correspondence. Action or response may be necessary from the ACS and/or the MSC.
- ii. Oversight findings can include 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 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:
- i. The ACS shall respond as requested within 30 days of receipt of the MSC letter, unless otherwise specified or authorized by the MSC.
 - ii. Observations document areas for potential improvement or enhanced communication between the ACS and the MSC. The MSC may require action from an ACS to address an observation, such as a clarification of an ACS rule. The MSC may also need to address observations by providing guidance or updating policies that affect the ACS, or by initiating an update to a U.S. Supplement.

Required ACS follow-up action for nonconformities and major nonconformities will be described in the associated MSC letter. If no follow-up action is required by the

June 15, 2012

Subj: TECHNICAL SUPPORT AND OVERSIGHT OF AUTHORIZED CLASSIFICATION SOCIETIES

MSC, the ACS should evaluate the nonconformity and determine what internal action is needed to prevent recurrence. Major nonconformities will always require corrective action and a formal response.

- g. Continuous Improvement: The ACS should identify a central point of contact to serve as liaison with the MSC on oversight issues. The ACS representative should work with the MSC to resolve issues and track the status of observations and nonconformities that require follow-up action. The MSC will provide an annual report to the ACS detailing oversight statistics for the year. 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 may 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.



P. E. LITTLE

Encl: (1) Notification instructions and worksheet template

Copy: Commandant (CG-ENG), Office of Design and Engineering Standards
Commandant (CG-CVC), Office of Vessel Activities
Commandant (CG-5P-TI), Office of Quality Assurance and Traveling Inspections

Notification Worksheet Instructions

General:

The notification worksheet does not contain any macros. This should allow the worksheet to open on any personal computer capable of opening Microsoft Excel files, regardless of security settings. If you have difficulty opening or working with the notification template, please contact the MSC at 202-475-3401 or by email at msc@uscg.mil.

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

Each row of the worksheet below the column headings should contain the data of only one work item. Though the approving correspondence may address multiple plans, each plan should be entered in a separate row of the worksheet. Submit one notification worksheet per email. Multiple worksheets in one email cannot be handled by MSC’s automated file processing software. Send the email to msc@uscg.mil.

Worksheet Column Descriptions:

Column	Title	Description	Format	1. Required?
A	ACS	Authorized Classification Society or third party organization 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 and tonnage measurement only.	Alpha-numeric	YES*
H	Revision Date	Date of revision cited in Column G. Required for plan review only.	DD-MM-YY	YES*
I	Primary System	Select the system description that best applies to the specific drawing. Tonnage and load line assignments have specific designators. Use Column J as necessary to add detail.	Drop-down menu	YES
J	Secondary System	See Column I	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	Text	YES*
M	Vessel Operating Subchapter	Select an allowable operating subchapter of 46 CFR. For a complete description of the operating subchapters and their applicability, see 46 CFR Table 30.01-5(d). 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. For a series of hulls, use the format "434-438" or "232, 234, 236". If unknown, enter "unknown".	Alpha-numeric	YES
P	MSC Project No.	Enter MSC Project No. assigned to vessel(s). If unknown, leave blank.	"P000000"	NO
Q	VIN	Enter unique vessel identification number. Required for tonnage measurement.	Alpha-numeric	YES*
R	VIN Type	Select type of VIN. Required for tonnage measurement.	Drop-down menu	YES*

* Required in some cases. See Description for details.