




16711/Serial No. 1427
CG-CVC Policy Letter
17-01

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From: 
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COMDT (CG-CVC)

To: Distribution

Subj: USE OF THE UNINSPECTED TOWING VESSEL (UTV) DECAL TO MEET CERTAIN
REQUIREMENTS REGARDING ISSUANCE OF THE INITIAL COI UNDER
SUBCHAPTER M

Ref: (a) Inspection of Towing Vessels; Final Rule, 81 FR 40004, dated 20 Jun 2016
(b) Title 46, Code of Federal Regulations (CFR), Section 136.210
(c) Title 46, CFR Subchapter C, Parts 24-27
(d) Title 46 CFR, Section 138.315
(e) Title 46, CFR, Section 137.130

1. **PURPOSE.** The purpose of this policy letter is to provide guidance to the Officer in Charge, Marine Inspection (OCMI) and the marine industry on use of the UTV decal with respect to initial inspection requirements under 46 CFR Subchapter M for vessels using the Towing Safety Management System (TSMS) option and issuance of an initial certificate of inspection (COI) to those vessels.
2. **APPLICATION.** For the purposes of this policy letter, when using the TSMS option as described in reference (a) and submitting objective evidence prescribed in reference (b), UTV decals issued within three years of the date that the towing vessel is required to undergo its initial inspection for certification will be used as full credit that the vessel has undergone an initial inspection for purposes of issuance of an initial COI. The Coast Guard retains the authority to board a vessel at any time to verify compliance and take appropriate action, if necessary.
3. **DIRECTIVES AFFECTED.** None.
4. **BACKGROUND.**
 - a. Prior to the promulgation of reference (a), and as part of the Towing Vessel Bridging Program (TVBP), once a towing vessel was examined and demonstrated compliance with the requirements of reference (c), it was issued a decal that was valid for three years. The decal provided objective, visual evidence that the Coast Guard attended the vessel and found it to be in compliance at the time of the examination.

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- b. Subsequent to promulgation of reference (a), some companies have chosen to continue to obtain Coast Guard examinations and decals to indicate vessel compliance with reference (c) for others to see, including facilities and other companies handling certain cargoes.

5. DISCUSSION.

- a. Decals still provide a service to both the vessel owner or managing operator and the Coast Guard as we initiate implementation of Subchapter M requirements. A valid decal may still be used to provide objective evidence that the Coast Guard has attended the vessel and has conducted certain regulatory compliance activities on the vessel.
- b. Vessels utilizing the TSMS option will be required to undergo frequent audits and surveys conducted by or under the supervision of Third-Party Organizations (TPOs) approved by the Coast Guard. In addition, use of a safety management system, a prerequisite for a choosing a TSMS option, requires compliance with the regulations on a continual basis and taken together, these significantly reduce the risk for these vessels.

6. ACTION. OCMI's and the marine industry should refer to this policy letter when towing vessel owners or managing operators are seeking to use valid UTV decals on their towing vessels to satisfy the requirement under Subchapter M for an initial inspection of the vessel when issuing the vessel's COI. We are separating the initial inspection from the issuance of the COI in time and the Coast Guard feels that up to three years in time is an acceptable level of risk for these vessels.

7. POLICY. If a vessel using a TSMS option has a valid UTV decal issued within three years from the date the towing vessel is required to undergo its initial COI issuance, the decal will be applied as full credit that an initial inspection for certification has occurred, provided that the following conditions are met:

- a. There can be no outstanding deficiencies from any examinations conducted by the Coast Guard for decals at the time the towing vessel is required to undergo its initial COI issuance.

- b. The following items would need to be in place for the OCMI to issue the COI without an initial inspection of the vessel:

- (1) A TPO has issued TSMS Certificate to the owner or managing operator of the vessel at least six months before the date the vessel is scheduled for its initial COI issuance. There are no outstanding major non-conformities from the TPO's report of the management audit required by reference (d). The TPO or owner or managing operator has furnished a copy of this TPO report to the OCMI with the Application for Inspection of U.S. Vessel (CG-3752) at least 30 days in advance of the scheduled initial COI issuance date.

- (2) The vessel has successfully completed both a vessel audit (in accordance with reference (d)) and a survey (in accordance with reference (e)) before the date the vessel is scheduled for its initial COI issuance. There are no outstanding major non-conformities associated with either the vessel's audit or survey.

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- (3) For vessels that are classed by a Recognized Classification Society, there are no outstanding conditions of class at the time of the initial COI issuance. For vessels using the International Safety Management Code as their safety management system (SMS), both the Document of Compliance and Safety Management Certificate associated with the vessel are current and properly endorsed. There are no outstanding major non-conformities associated with the vessel or its SMS.
- c. When a COI is issued under the provisions of this policy letter, the following endorsement will be added to the vessel's COI to indicate use of this policy: *"This COI is issued in consideration of the provisions contained in 46 U.S.C. §3103 and 46 CFR Part 139, on the basis of reports, documents and records provided by [insert name of TPO or TPOs], a Third-Party Organization, and the vessel's possession of a valid Coast Guard Decal."*
8. ENVIRONMENTAL ASPECT AND IMPACT CONSIDERATIONS. Environmental considerations were examined in the development of this policy letter and have been determined not to be applicable.
9. DISCLAIMER. This policy letter guidance is neither a substitute for applicable legal requirements, nor a rule. It is not intended nor does it impose legally-binding requirements on any party. It represents the Coast Guard's current thinking on this topic and may assist industry, mariners, the general public, and the Coast Guard, as well as other Federal and state regulators, in applying statutory and regulatory requirements. An alternative approach may be used for complying with these requirements if the approach satisfies the requirements of the applicable statutes and regulations. If you want to discuss an alternative approach (you are not required to do so), you may contact the Coast Guard Office of Commercial Vessel Compliance (CG-CVC) who is responsible for implementing this guidance.
10. 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-1@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.

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