



CGD17INST 16711
7 DEC 2012

SEVENTEENTH DISTRICT INSTRUCTION 16711

Subj: ISSUANCE OF PERMITS TO VESSELS FOR TRANSPORT OF LIQUID CARGO IN BULK TO REMOTE COMMUNITIES IN ALASKA

- Ref:**
- (a) Title 33 Code of Federal Regulations (CFR) § 1.01-50
 - (b) Title 46 United States Code (USC) § 3302(i)
 - (c) 33 CFR § 1.01-30
 - (d) 33 CFR § 1.01-1
 - (e) Navigation & Vessel Inspection Circular 10-94
 - (f) 46 CFR § 10.107
 - (g) 46 CFR § 98.30-37
 - (h) Department of Homeland Security (DHS) Delegation No. 170.1

1. PURPOSE.

- a. This instruction establishes Seventeenth Coast Guard District (D17) policy regarding marine transportation of bulk fuel within the state of Alaska for vessels that are not inspected under 46 CFR Chapter I, Subchapter D – Tank Vessels. It creates guidance for field inspectors to apply relevant regulations and law consistently throughout D17. Federal law and regulations formally recognize the reality and challenges that bulk fuel transport poses within Alaskan waters, most notably in remote areas not frequented by a vessel that is reasonably available and that does not require exemptions to operate legally, i.e. a tank vessel. Because of this, the D17 Commander can, under the authority of reference (a), issue a permit as allowed by reference (b), hereafter referred to as a “3302(i) Permit,” to allow a non-tank vessel to transport liquid cargo in bulk (i.e. diesel fuel, gasoline, heating fuel, etc.) from one place in Alaska to another place in Alaska.
- b. The D17 Commander hereby delegates this permit authority to D17 Captain of the Ports (COTP) as part of their responsibility to enforce port safety and marine environmental regulation and certain law enforcement duties pursuant to references (c) and (d). Letters of delegation will be issued under separate correspondence. All D17 COTPs should manage the 3302(i) Permit program and inform D17(dpi) of their actions for approval

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A																										
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and issuing a permit. COTPs shall deliver the permit and verify the vessel continues to meet the requirements of this instruction. D17 COTPs may issue three types of permits:

- 1) Certificate of Inspection (COI) 3302(i) Permit,
- 2) Annual 3302(i) Permit and
- 3) Single Voyage Permit.

- c. Coast Guard shore stations, facilities or cutters should not contract fuel delivery from non-tank vessels or vessels that have not received a 3302(i) Permit from the local COTP. Coast Guard shore stations, facilities and cutters should uphold all local, state and federal regulations as they pertain to the transfer of liquid cargo in bulk from a tank vessel or vessel that has obtained a 3302(i) Permit.

2. ACTION.

- a. D17 COTPs shall apply the guidance contained in this instruction to vessels that may decide to deliver fuel to remote communities and inform appropriate individuals in the marine industry, including owners and operators of non-tank vessels that may potentially deliver fuel to remote communities, about the requirements of this instruction. COTPs shall maintain a list of vessels currently operating under this policy, specifying the areas of operation, and submit an annual report as discussed later in this document.

3. DIRECTIVES AFFECTED. None

4. BACKGROUND.

- a. In certain remote areas of Alaska, a community's ability to receive liquid cargo in bulk from appropriately certificated vessels is limited and, in some cases, not economically feasible. Several long term fuel providers have ceased tank barge delivery to numerous communities, villages and lodges due to a variety of factors, including limitations in vessel capabilities, prohibitive business costs, and the sale or merger of companies. Many of the communities, villages or lodges are forced to pursue other transport methods or vessel types for their fuel delivery. Absent a viable and economically feasible method of delivery, a significant community hardship exists. There are owners/operators of vessels willing to deliver bulk fuel services to remote areas of Alaska, but these vessels are unable to meet the requisite inspection standards found 46 CFR Chapter I, Subchapter D.
- b. "Liquid cargo in bulk" is defined in reference (f) as "a liquid or liquefied gas listed in 46 CFR § 153.40 of this chapter and carried as a liquid cargo or liquid-cargo residue in integral, fixed, or portable tanks, except a liquid cargo carried in a portable tank actually loaded and discharged from a vessel with the contents intact." Furthermore, bulk fuel is "transferred" from one tank to another, not in a packaged form, such as drum, tote or portable tank. "Transfer" is defined in reference (f) as "any movement of dangerous liquid or liquefied gas as cargo in bulk or as cargo residue to, from, or within a vessel by means of pumping, gravitation, or displacement." This is normally accomplished via means of a hose "transfer" of the bulk fuel from the source tank to a tank in the receiving

vessel, facility, lodge, etc. In addition, vessels that carry hazardous materials are also required to adhere to other laws, regulations and policy guidance as noted in various sections of the Marine Safety Manual, Volume II, including additional safety equipment, prescribing carriage requirements, crew credentials, etc.

- c. In order to carry liquid cargo in bulk, a vessel is required to be inspected as a tank vessel under 46 CFR, Subchapter D. Passenger Vessels inspected under Subchapter H, Offshore Supply Vessels (OSV) and Freight Vessels may also carry bulk fuel as cargo, provided the quantity is limited to 20% of the vessel's deadweight tonnage, which is a measure of a vessel's carrying capacity. "Deadweight tonnage" is the difference in displacement between the vessel's "Deepest Load Waterline" and its "lightweight" conditions, as calculated by a professional engineer. Note that 46 USC § 3702(c) allows fishing vessels and fish tenders of not more than 500 gross tons deliver bulk fuel when they are engaged only in the commercial fishing industry. The intent is to permit the commercial fishing fleet to transport and transfer flammable and combustible cargos for use within the commercial fishing industry, i.e. fishing tenders would be allowed to supply fuel to a remote cannery. However, the regulations and law are not intended to allow a commercial fishing vessel to carry fuel to remote sites unrelated to the fishing industry, i.e. a remote port, lodge or camp not involved with commercial fishing.

5. DISCUSSION.

- a. Pursuant to 46 USC § 3302(i), DHS Delegation No. 170.1, and 33 CFR § 1.01-50, the Coast Guard can issue permits exempting vessels from inspection requirements so they can deliver fuel when there is not a compliant vessel available to perform those services. The Coast Guard may issue a permit for a single voyage or a permit for a period not to exceed more than one year. This D17 instruction establishes three types of permits: two for vessels that do not operate under the authority of a Coast Guard-issued COI, which will be referred to as the **Annual 3302(i) Permit** and the **Single Voyage Permit**; and one for vessels that do operate under the authority of a Coast Guard-issued COI, which will be referred to as the **COI 3302(i) Permit**. Each of these permits has distinct limitations and requirements and is issued in accordance with this policy, applicable regulations, laws and other Coast Guard policies.
- b. In general, a **3302(i) Permit** allows a vessel of not more than 300 gross registered tons (GRT) that does not present an immediate threat to the safety of life or the environment to carry liquid cargo in bulk if one of two conditions are met: (1) the vessel was operating in the waters off Alaska as of 1 June 1976; or (2) the vessel is a replacement for a vessel that was operating in the waters off Alaska as of 1 June 1976, if the vessel being replaced is no longer in service. As a side note, when determining replacement vessel applicability, company ownership of the replaced vessel and replacement vessel does not have to be the same. Once the determination is made that service existed prior to 1 June 1976, the vessel would be eligible to operate under a permit. In making a decision as to whether a vessel is a replacement vessel, D17 referred to HR Conference Report 94-1374 (1976) and decided to adopt a liberal interpretation of "replacement vessel." The "replacement vessel" clause should be employed to ensure needed fuel/cargo delivery is available to remote areas. Nonetheless, a vessel may not be permitted in accordance with this policy if; (1) the cargo

could be transported by another commercial vessel that is reasonably available and that does not require exemptions to operate legally, or (2) if the cargo could be readily transported by overland routes.

- c. **COI 3302(i) Permit:** To minimize risk and ensure that the vessel does not present an immediate threat to the safety of life or the environment, the vessel should be certificated under either 46 CFR Chapter I, Subchapter H or Subchapter I. Vessels inspected by a Coast Guard marine inspector on an annual basis conform to current laws, regulations and policies and will minimize risk to the environment because the Coast Guard ensures certain levels of safety during the annual safety exam, dry-dock exams, and internal structural exams. These inspections cover lifesaving, firefighting and machinery systems, along with stability, manning, crew training and other safety items verified by a marine inspector. These vessels will be issued a COI 3302(i) Permit, which should be posted along with the vessel's COI and will notionally amend the vessel's COI Routes and Conditions Section.
- d. **Annual 3302(i) Permit or a Single Voyage Permit:** When an inspected or other legal vessel is not reasonably available to deliver liquid cargo in bulk to a remote community, an emergent situation may be created. The use of an Annual 3302(i) Permit or a Single Voyage Permit may be appropriate for vessels that are not certificated. The law, as prescribed by 46 USC § 3302(i)(3) allows for the Coast Guard to prescribe specific requirements or limitations including: amount or type of cargo, manning, areas or specific routes over which the vessel may operate, or other similar matters. This permit will identify a specific route during a specific timeframe without deviation. A vessel should not be issued more than four (4) Single Voyage Permits during the course of one year. If there is a need for more than four Single Voyage Permits during a period of one year, then the COTP should consider issuing the vessel an Annual 3302(i) Permit for a duration of not more than one year. Since transferring liquid cargo in bulk is clearly outside the scope of daily operation of these vessels, it is prudent that the Coast Guard places appropriate requirements and conditions on the vessel to minimize the possibility of a spill and ensure the vessel has equipment and procedures in place to respond to an oil spill. The following requirements are factors that a COTP shall require prior to issuing an Annual 3302(i) Permit or a Single Voyage Permit for the transfer of liquid cargo in bulk:
- 1) The vessel shall be operated by a licensed master of the appropriate tonnage at all times. If the vessel does not require a licensed master during its normal operations, then the vessel operator shall employ a licensed individual or an individual with a merchant mariner's document for the evolution encompassing the transfer of the liquid cargo in bulk to maintain accountability during the fueling operations.
 - 2) Two additional B-II fire extinguishers or equivalent will be placed on deck in vicinity of the transfer connections.
 - 3) Bilges will be in a condition that does not present concern for safety. Excessive oil in the bilges will not be allowed.
 - 4) All bilge pumps will be in good working order.
 - 5) All electrical connections in engineering spaces and on deck in vicinity of fuel transfer will be of an approved type according to requirements found in the respective subpart of 46 CFR, dependent on vessel type, that governs the vessel's electrical components.
 - 6) Containment will be provided under all connections along the transfer hose and

systems.

- 7) Sorbent boom and sorbent pads will be readily available.
- 8) Vessels shall be issued a current decal that reflects passing a USCG safety examination (i.e. fishing or uninspected passenger vessel decal).
- 9) The vessel will contract an Oil Spill Recovery Organization (OSRO) for the duration of the transfer of the liquid cargo in bulk.
- 10) When marine portable tanks are used to transport liquid cargo in bulk, the firefighting requirements found in reference (g) shall be followed.
- 11) When applicable, the vessel shall operate within the constraints of its load line.

e. Applying regulations to fuel recipients:

- 1) Some situations exist when a certificated tank vessel desires to deliver to a remote community. Unfortunately, in many cases, the remote community has not gone through the process of becoming a regulated facility under 33 CFR § 154, whereby, disqualifying or discouraging the inspected vessel from delivering fuel. Since uninspected vessels transferring liquid cargo in bulk may provide a greater threat to the environment than the use of an inspected vessel for the same situation, COTPs are afforded the regulatory instruments necessary to lessen the onerous application of fuel delivery regulations of the facility. Specifically, they possess the authority to consider alternatives under 33 CFR § 154.107 and to downgrade the classification of the facility under 33 CFR §154.1016 so that an inspected tank vessel may deliver its cargo to a non-regulated facility. The D17 Commander encourages COTPs to use these alternatives to encourage the use of certificated tank vessels or vessels issued a 3302(i) Permit.
- 2) The D17 Commander recognizes that COTPs may categorically downgrade remote facilities, (where the consumer is the end user and the bulk liquid cargo is not used for financial gain) to a status that states that the facility could not be reasonably expected to cause substantial, or significant and substantial harm to the environment. This downgrade effectively removes the response plan requirement for facilities meeting the previous description and places the entire transfer operation responsibility on the vessel's master.
- 3) The D17 Commander recommends that COTPs consider alternatives to the general, operations, and equipment requirements outlined in 33 CFR § Part 154. Efforts should be made to clearly define an equivalent level of safety and protection from pollution acceptable to the COTP. The following items are examples of alternative procedure or equipment criteria that D17 COTPs may consider placing on the vessel when exercising alternatives based on 33 CFR § 154.107:
 - i. The facility has an annual aggregate transfer amount less than 10,500 gallons.
 - ii. The frequency of transfers does not exceed four (4) transfers per year.
 - iii. A declaration of inspection will be signed by both parties prior to the beginning of any transfer.
 - iv. The vessel's person-in-charge will conduct a visual inspection of the facility to ensure integrity of tanks, valves, and containment.

- v. The vessel shall ensure all transfer equipment (hoses, pumps, etc.) are maintained as required by 33 CFR § 155.800, Appendix A to 33 CFR § 155 and 33 CFR § 156.120, .125 and .130. This shall include the first valve inside the facility's secondary containment surrounding tanks in the non-transportation-related portion of the facility; or in the absence of secondary containment, the valve or manifold adjacent to the tanks comprising the non-transportation-related portion of the facility.
 - vi. Vessel will provide additional containment for each connection on the facility.
 - vii. Vessel will provide all communications for each transfer.
 - viii. Transfers may only be conducted during daylight hours.
 - ix. The vessel will contract an Oil Spill Recovery Organization (OSRO) for the duration of the shipment and transfer of the liquid cargo in bulk.
 - x. Two additional B-II fire extinguishers or equivalent will be placed on deck in vicinity of the transfer connections.
 - xi. Bilges will be in a condition that does not present concern for safety. Excessive oil in the bilges will not be allowed.
 - xii. All bilge pumps will be in good working order.
 - xiii. All electrical connections in engineering spaces and on deck in vicinity of fuel transfer will be of an approved type according to requirements found in the respective subpart of 46 CFR, dependent on vessel type, that governs the vessel's electrical components.
 - xiv. Containment will be provided under all connections along the transfer hose and systems.
 - xv. Sorbent boom and sorbent pads will be readily available.
 - xvi. When marine portable tanks are used to transport liquid cargo in bulk, the firefighting requirements found in reference (g) shall be followed.
 - xvii. The master shall be responsible for maintaining a satisfactory stability condition of the vessel at all times.
 - xviii. If the vessel has a deck cargo loading table, the master shall follow it when loading the deck spaces.
 - xix. While carrying bulk fuel as cargo, the master shall maintain and adhere to the current vessel response plan; as well as applicable state and federal laws pertaining to fuel transportation.
- f. Generally speaking, operations involving a Coast Guard inspected tank vessel are regarded as safer operations than those involving 3302(i) permitted vessels, due to training, equipment and response plans required of a tank vessel. As such, D17 COTPs should first facilitate the use of inspected vessels by defining alternative safety standards for facilities meeting an equivalent level of safety to foster the safe refueling of remote ports in Alaska before considering the issuance of a 3302(i) Permit.

6. POLICY.

- a. Owner/operator requests any type of 3302(i) Permit:
 - 1) When a vessel meets the requirements for a 3302(i) Permit and an owner/operator wishes to provide bulk fuel delivery to a specific community, village or lodge, the vessel representative shall submit a written request to the local COTP. The request shall include, but not be limited to:
 - i. Name of vessel owner/operator
 - ii. Address of vessel owner/operator
 - iii. Phone number of vessel owner/operator
 - iv. Copy of License or Merchant Mariner Document of transfer operator
 - v. Vessel name
 - vi. Vessel type
 - vii. Build date
 - viii. Length of vessel
 - ix. Domestic gross tonnage
 - x. List of vessel's response equipment
 - xi. Vessel's last dry dock/survey
 - xii. Vessel's last Coast Guard Safety Exam
 - xiii. Communities or locations requesting transfer of liquid cargo in bulk
 - xiv. Route vessel will take to specific location(s)
 - xv. Type of fuel to be delivered
 - xvi. Specifics of transfer operation(s)
 - xvii. Duration of operation(s)
 - xviii. Requested time frame of permit
 - xix. Additional information as required by the COTP as needed depending on the situation.
- b. The COTP verifies the need for a permit and confers with D17(dpi) to ensure there are no other District-wide issues that would preclude proper implementation of a permit. Under 33 CFR § 1.01-1, the D17 Commander hereby delegates final authority of issuing 3302(i) Permits to D17 OCMI's, which were initially granted to the D17 Commander under 33 CFR § 1.01-50. The 3302(i) Permits will identify specific locations where fuel carriage and delivery is authorized. The application and duration of the permits should be as follows:
 - 1) COI 3302(i) Permit:
 - i. Initial Permit: The owner/operator must submit an initial application, in letter form, to the COTP 30 days prior to transferring liquid cargo in bulk to a community. The COTP may issue a new permit after researching conditions surrounding the request; including whether there is a commercial vessel that is reasonably available and that does not require exemptions to operate legally, or whether the fuel could be delivered via land. After a satisfactory vessel examination, the COTP issues the COI 3302(i) Permit. This permit becomes an endorsement of the COI. The COTP should contact D17(dpi) informing them of

their positive endorsement for the COI 3302(i) Permit. The COTP may issue a COI 3302(i) Permit that contains dates that coincides with the vessel's COI date, to reduce administrative burden on field marine inspectors, or for no longer than one year. The COTP shall include the following standard endorsement on the COI referencing the permit:

VESSEL PERMITTED TO DELIVER BULK FUEL AS PER ATTACHED
COI 3302(i) PERMIT.

- ii. **Renewal Permit:** The owner/operator must submit a renewal application, in letter form, to the COTP 30 days prior to the vessel's COI inspection or annual re-examination, indicating their desire to maintain the COI 3302(i) Permit and their intent on transferring liquid cargo in bulk to a remote community. The COTP may issue the renewal permit through the process of annual re-inspection if all conditions remain unchanged, including whether there is a commercial vessel that is reasonably available and that does not require exemptions to operate legally, or whether the fuel could be delivered via land. Once the COTP endorses the COI after a satisfactory re-inspection, the COTP should contact D17(dpi) informing them of their positive endorsement for the COI 3302(i) Permit. If the dates on the permit do not align with the COI dates, the owner may request that the COTP change the permit dates to coincide with the COI date. This will reduce administrative burden on field marine inspectors and vessel owners/operators.
- iii. For historical purposes, the COTP shall scan the COI 3302(i) Permit and enter it into the vessel's document section of MISLE.
- iv. **Annual 3302(i) Permit:** The owner/operator must submit a renewal application, in letter form, to the COTP 30 days prior to the expiration of the current permit in force. The COTP verifies the information on the application and conducts an annual examination of the vessel. If all conditions remain unchanged, including the lack of a commercial vessel that is reasonably available and that does not require exemptions to operate legally, and that fuel cannot be delivered via land, the COTP will issue another Annual 3302(i) Permit and contact D17(dpi) informing them of the permit's renewal. For historical purposes, the COTP shall scan the Annual 3302(i) Permit and enter it into the vessel's document section of MISLE.
- v. **Single Voyage Permit:** The permit will be issued and remain effective for a date or range of dates requested for a vessel. The expiration will be noted on the permit. If circumstances arise (weather, fuel availability, mechanical issues, etc.) that the Single Voyage Permit dates need to be changed, the COTP shall adjust the dates or range of dates as necessary and re-issue an amended Single Voyage Permit. The COTP should inform D17(dpi) of their actions regarding issuance of Single Voyage 3302(i) Permits or amended 3302(i) Permits. For historical purposes, the COTP shall scan the Single voyage Permit and enter it into the vessel's document section of MISLE.

- c. D17 COTPs shall ensure that the following parameters are met and maintained for the duration of 3302(i) Permits:
- 1) COI 3302(i) Permit,
 - i. The COI shall be properly endorsed by issuing the COI 3302(i) Permit for the carriage of bulk fuel in accordance with this instruction and will follow the firefighting requirements found in reference (g) when carrying marine portable tanks.
 - ii. The specific quantity, grades and types of fuel shall be specified.
 - iii. Any additional safety or oil response gear required, such as firefighting equipment, specific containment, sorbents, etc., shall be specified.
 - 2) Annual 3302(i) Permit
 - i. The permit shall indicate favorable endorsement for the carriage of bulk fuel in accordance with this instruction and will follow the firefighting requirements found in reference (g) when carrying marine portable tanks.
 - ii. The permit shall indicate the expiration date that is no longer than one year from the issuing date.
 - iii. The specific quantity, grades and types of fuel shall be specified.
 - iv. Any additional safety or oil response gear required, such as firefighting equipment, specific containment, sorbents, etc., shall be specified.
 - 3) Single Voyage Permit
 - i. The permit shall indicate favorable endorsement for the carriage of bulk fuel in accordance with this instruction and will follow the firefighting requirements found in reference (g) when carrying marine portable tanks.
 - ii. The permit shall indicate an expiration date that is no longer than the expected duration of the voyage, which should include the carriage, delivery and offload of the liquid cargo in bulk.
 - iii. The specific quantity, grades and types of fuel shall be specified.
 - iv. Any additional safety or oil response gear required, such as firefighting equipment, specific containment, sorbents, etc., shall be specified.
- d. For all 3302(i) Permits, the locations where the vessel may deliver bulk fuel shall be identified on the permit as noted on enclosures (1 & 2) and be maintained onboard at all times. As requested by the owner/operator, the COTP may update or modify the specific delivery locations on the enclosure and notify D17(dpi) of these changes. The 3302(i) Permit shall be scanned into MISLE and maintained under the documents tab.

- e. The vessel shall carry and incorporate the use of additional firefighting equipment into emergency drills and training, including portable, dry chemical fire extinguishers. If Department of Transportation (DOT) approved portable tanks are used to transfer bulk fuel, the vessel shall incorporate the appropriate firefighting equipment on board the vessel as prescribed in 46 CFR § 98.30-37, or an equivalent level of fire protection must be used as allowed in 46 CFR § 90.15.
- f. The proposed liquid cargo in bulk must be loaded and transported within the limits of the vessel's stability letter and load line as applicable.
- g. The COTP shall ensure that the owner/operator meets all applicable requirements of 33 CFR § 155 and 156 if applicable, including the maintenance of a federally-approved Vessel Response Plan (VRP), a contract with an approved Oil Spill Removal Organization (OSRO), a current Certificate of Financial Responsibility (COFR) or other necessary administrative requirements that ensures safety of the vessel, crew and environment.
- h. Prior to annual renewal of a 3302(i) Permit or Single Voyage Permit, the COTP shall determine whether a vessel not requiring any type of 3302(i) Permit is reasonably available to deliver bulk fuel to a remote location for which a permit was issued. If another vessel not requiring a 3302(i) Permit to transport and offload liquid cargo in bulk is available, then the 3302(i) Permit should not be renewed.
- i. If an owner/operator makes a certified vessel available that can legally transport bulk fuel to specific communities without the need of a 3302(i) Permit, then previously issued permits shall be rescinded or modified as soon as possible, but not later than 60 days after the new vessel is available. This is to allow a vessel operating under the authority of the 3302(i) Permit to address any outstanding contracts it may have and to notify customers of the changes to the vessel's permit status.
- j. COTPs and D17(dpi) should maintain a list of vessels currently operating under a COI 3302(i) Permit and those operating under an Annual 3302(i) Permit, specifying the areas of operation and owner/operator contact information. COTPs shall submit an annual report to D17(dpi), similar to that noted on enclosure (3), by January 15. This annual report will identify all permits that were issued, revoked or expired during the previous year.
- k. COTPs and D17(dpi) should also maintain a list of vessels that were issued a Single Voyage Permit, specifying the areas of operation and owner/operator contact information and date of permit issuance. COTPs shall submit an annual report, similar to that noted on enclosure (3), by January 15 of the following year. This annual report will identify all permits granted during the previous year. All 3302(i) Permits may all be included in one annual report.

7. ENVIRONMENTAL CONSIDERATIONS.

- a. Environmental considerations were examined in the development of this instruction.
- b. The combination of uninspected vessels and fuel recipients not traditionally involved in the marine transfer of liquid cargo in bulk provides a potential threat to the environment greater than the use of an inspected vessel for the same situation. It is safer to allow inspected vessels to transfer fuel to remote consumers since uninspected vessels are not required to maintain the same training, equipment, and requisite response plans that an inspected vessel is required to maintain. However, meeting the fuel demands of remote Alaskan communities is not always economically feasible, or in some cases it is not possible for an inspected vessel to deliver fuel to a remote consumer. This may be due to geographic nature of certain remote areas, including depth of harbor or other physical aspects that may preclude a safe transfer of liquid cargo in bulk by an inspected vessel. Lawmakers realized this and put into effect laws and regulations like 46 USC § 3302 and 33 CFR § 1.01-50 to allow vessels meeting prescribed safety requirements the ability to fill this "supply" void. Because of these unique challenges to remote Alaskan communities, this instruction prescribes a safety framework for uninspected vessels so that liquid cargo in bulk may be transported and offloaded in a manner that minimizes the risk of an oil spill. D17 COTPs are afforded the regulatory authority and this Instruction establishes a framework that reduces the onerous burden of fuel delivery regulations to remote Alaskan communities that are not able to acquire fuel from inspected and certificated vessels.

8. FORMS/REPORTS.

- a. Samples of 3302(i) Permits are found in Enclosures (1 & 2). All 3302(i) Permits should be tailored to encompass the circumstances surrounding each individual request. Although this instruction provides guidance for vessel operations and equipment requirements, it does not foresee all possibilities. Each COTP must adapt each permit to employ preventive measures that mitigate risks of pollution into the marine environment and require systems and equipment for mariners to quickly respond if their vessel discharges oil.
- b. By January 15 of each year, the COTP shall submit an annual summary report of all three types of 3302(i) Permits issued for the previous calendar year to D17(dpi). This annual report should include at minimum: vessel name, type of 3302(i) Permit, date or range of dates for which the permit was valid, and port(s) the vessel was permitted to deliver liquid cargo in bulk. A sample of this report is included as Enclosure (3).



T. P. OSTEBO

Enclosure: (1) Sample 3302(i) COI Permit
(2) Sample 3302(i) Single Voyage Permit
(3) Sample Annual 3302(i) Permit Report

U.S. Department of
Homeland Security

United States
Coast Guard



Commander
United States Coast Guard
Sector Southeast Alaska

P.O. Box 1234
Juneau, AK 12345
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Fax: (907) 123-4568
E-mail: Cee.O.Eye@uscg.mil

16711
31 Aug 2012

Captain Jack Sparrow
1234 Easy Street
Anywhere, AK 12345

Dear Captain Sparrow,

I have reviewed your faxed letter to Sector Juneau dated August 21, 2012 requesting permission to exceed the 20% dead weight tonnage (DWT) quantity limitation of the *M/V Heavy Load*, (O.N. 123456) for the carriage of fuel to the ports of Grand Haven and Petoskey, Alaska for the calendar year 2011 or until such a time a fully compliant option is available.

During the review of your request, my staff identified a fully compliant fuel supplier for Grand Haven that does not require a waiver; therefore, you are not permitted to transport fuel to the community of Grand Haven under this permit. However, based on the Coast Guard's research and as discussed on the conference call on August 26, 2012 between Sector Southeast Alaska and the community of Petoskey, there is not a provider at this time in Petoskey. In addition, fuel supplier options in Petoskey are limited due to the restricted harbor, dock space, and draft limitations. As such, I have determined that there is a need for a fuel provider in Petoskey. Under Title 46 United States Code (USC) 3302(i)(I), I may issue a permit (hereafter referred to as a COI 3302(i) Permit) exempting your vessel from the tank vessel requirements provided that your vessel meets certain criteria:

1. Is not more than 300 gross tons;
2. Does not present an immediate threat to the safety of life or the environment;
3. Is a replacement for the tug and barge operator that serviced Petoskey

Because your vessel meets all the requirements above, your request for a waiver of the 20% limited quantity is granted and you are authorized to deliver up to 10,458 gallons (249 barrels) of fuel or approximately 33 long tons as cargo in approved ISO tanks to Petoskey. This letter serves as a COI 3302(i) Permit, is an amendment to your COI and must be maintained on board your vessel. This permit is valid for one year from the date of this letter, 31 August, 2012. To maintain your permit beyond the expiration date, you must submit a renewal application in letter form to this office 30 days prior to the expiration date.

When operating under this permit, you are required to provide a minimum of one business day notification to this office prior to loading fuel as cargo and shall indicate the type and quantity of fuel carried. The vessel may be subject to an interim verification by the OCMI for the operational status of the vessel and its equipment. Furthermore, your vessel must comply with the following requirements and carry the equipment listed below.

- 1) The vessel will contract an Oil Spill Recovery Organization (OSRO) for the duration of the shipment and transfer of the liquid cargo in bulk.

Enclosure (1)

U.S. Department of
Homeland Security

United States
Coast Guard



Commander
United States Coast Guard
Sector Southeast Alaska

P.O. Box 1234
Somewhere, AK 12345
Phone: (907) 123-4567
Fax: (907) 123-4568
E-mail: Cee.O.Eye@uscg.mil

16711
01 Sep 2012

Mr. John Doe
1234 Easy Street
Anywhere, AK 12345

Dear Sir,

I have reviewed your faxed letter to Sector Juneau dated August 21, 2012 requesting a permit for the carriage of fuel to the port of Elfin Cove, Alaska from 02 Jan 2012 to 09 Jan 2012.

Based on the Coast Guard's research and as discussed on the conference call on August 26, 2012 between Sector Southeast Alaska and the community of Elfin Cove, there is not a provider at this time in Elfin Cove. In addition, fuel supplier options in Elfin Cove are limited due to the restricted harbor, dock space, and draft limitations. As such, I have determined that, the F/V Lucky Day (O.N. 123456) is conditionally approved to deliver bulk fuel to Elfin Cove, from 02 Jan 2012 to 09 Jan 2012. In addition to the Code of Federal Regulations (CFR) requirements applicable to the class of your vessel, I am also requiring additional conditions be met. The following requirements will be verified by a Coast Guard Inspector or a trusted agent deemed qualified by my office:

- 1) The vessel will be operated by a licensed master of the appropriate tonnage at all times.
- 2) The vessel will contract an Oil Spill Recovery Organization (OSRO) for the duration of the shipment and transfer of the liquid cargo in bulk.
- 3) A declaration of inspection will be signed by both parties prior to the beginning of any transfer.
- 4) The vessel will provide all communications for each transfer.
- 5) Transfers shall only be conducted during daylight hours.
- 6) Two additional B-II fire extinguishers or equivalent will be placed on deck in vicinity of the transfer connections.
- 7) Bilges will be in a condition that does not present concern for safety. Excessive oil in the bilges will not be allowed.
- 8) All bilge pumps will be in proper working order.
- 9) All electrical connections in engineering spaces and on deck in vicinity of fuel transfer will be of an approved type according to requirements found in the respective subpart of 46 CFR that governs the vessel's electrical components.
- 10) Containment will be provided under all connections along the transfer hose and systems.
- 11) Sorbent boom and sorbent pads will be readily available.
- 12) The vessel shall ensure all transfer equipment (hoses, pumps, etc.) are maintained as required by 33 CFR 155 and 156.

Enclosure (2)



16711
01 Jan 2013

MEMORANDUM

From: I. M. BUTTERWORTH, CAPT
CG Sector Juneau

To: Commander
CGD17(dpi)

Subj: ANNUAL 3302(i) PERMIT REPORT

1. Sector Juneau issued the following vessels a 3302(i) Permit during calendar year 2012:

<u>Vessel Name</u>	<u>3302(i) Permit</u>	<u>Dates</u>	<u>Port/Community</u>
<i>F/V Lucky Day</i>	Single Voyage	02 Jan – 09 Jan	Elfin Cove
<i>High Noon</i>	COI	04 Feb 12 – 04 Feb 13	Pelican
<i>Git R Fueled</i>	Annual	21 June 12 – 20 June 13	Tenakee Springs
<i>Git R Fueled</i>	Annual	21 June 12 – 20 June 13	Kake
<i>Git R Fueled</i>	Annual	21 June 12 – 20 June 13	Edna Bay
<i>Git R Fueled</i>	Annual	21 June 12 – 20 June 13	Port Alexander
<i>F/V Never Fished</i>	Single Voyage	16 Aug – 01 Sep	Metlakatla
<i>M/V Heavy Load</i>	COI	31 Aug 12 – 31 Aug 13	Petosky
<i>F/V Lucky Day</i>	Single Voyage	20 Sep – 27 Sep	Elfin Cove

2. If you have questions or concerns, please contact my Chief of Inspections, LT C. O. Eye at the above number or Cee.O.Eye@uscg.mil.

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