

U.S. Department
of Transportation

United States
Coast Guard



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16700

13 November 1997

From: Commander, Eighth Coast Guard District
To: Distribution

Subj: SPECIAL VESSEL EXAMINATION PROCEDURES (SVEP) IN LIEU OF DRYDOCK
FOR PASSENGER VESSELS

1. Enclosure (1), signed by Commandant (G-M) on 11/7/97, authorizes use of the subject protocol. In the near future, an implementing NVIC will be published. Until that time, enclosure (1) can be used to process requests from vessel owners.
2. The SVEP will be accepted for the issuance of drydock extensions of up to 30 months duration. Consecutive extensions are authorized. While Commandant retains the authority to issue extensions beyond 3 months (with some exceptions), it is the OCMI who will determine eligibility for this process and who will recommend the period of extension.
3. Enclosure (1) contains details regarding this process, vessel eligibility and examination procedures. Questions regarding this matter may be directed to me or LT Fordham at (504) 589-6271.


GUY A. TETREAU
By direction

Encl: (1) SVEP Decision Memo dated 28 August 1997

Dist: All D8 MSOs, MSUs and MSDs

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Post-it* Fax Note	7671	Date	13/1/97	# of pages	6
To	CDR Tetreau	From	LT Willis		
Co./Dept.		Co.			
Phone #		Phone #			
Fax #	504-589-4999	Fax #			

Subject: DECISION MEMO: DRYDOCK EXAMINATION
ALTERNATIVES FOR PASSENGER VESSELS

Date: 28 August 1997
16700

From: G-MOC

Reply to: G-MOC-2
Attn. of: LT Willis
x7-2735

To: G-M

Via: G-MO

1. Introduction. The subject issue is one deserving of our attention in view of substantial economic implications, congressional interest, new technologies and the need to attain a more consistent alignment with international norms. Although the impetus for this effort arose directly from concerns expressed by casino boat operators, the results of our work indicate the desirability of applying any changes in the drydocking requirements of passenger vessels to all segments of this industry. As you probably recall, passenger vessels have been excluded from participating in the UWILD program since its inception, therefore, all such vessels have been required to be hauled out for examination.

2. Background. The current state with regard to passenger vessels operating on inland waters (with 5 year drydocking intervals) is as follows:

a. Approximately 25 gaming vessels plus several other large passenger vessels that operate on inland lakes and rivers are greatly impacted by the five-year drydocking requirement. Many of these vessels must travel over 1000 river miles to find a drydock facility to accommodate them while others (approximately 12), because they are land-locked, would have to build a drydock on site to satisfy this requirement. Due the severe economic impact presented by this situation, many of the vessel owners and operators are requesting Coast Guard's consideration of alternatives to drydock examinations.

b. A few small passenger vessels that operate on land-locked lakes without access to a drydock facility have been permitted by OCMIs to undergo underwater hull examinations in lieu of drydocking. This policy however, has not been applied consistently throughout the field. Routine policy at headquarters has been to disallow drydocking alternatives for passenger vessels. Enclosure (1) contains more detailed information on established precedents.

c. The effort to modify drydock examination requirements for passenger vessels was initiated last February by the Riverboat Gaming Maritime Association (RGMA). On 5 February 1997, the president of RGMA wrote to D8(m) on behalf of member gaming vessel operators and proposed underwater hull surveys be accepted in lieu of drydock examinations. His letter mentioned a UWILD demonstration to be conducted on the EMPRESS in Joliet, Illinois. D8(m) suggested the UWILD demonstration be treated as a test case and basis for Coast Guard decision on this issue.

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d. The EMPRESS is a 183 foot, 1136 gross ton, self-propelled passenger (gaming)vessel, constructed of steel, with a flat-bottom similar to a barge hull. The vessel gets underway approximately eight times a day on the Des Plaines River in Joliet, Illinois but is restricted to operation between two locks on the river, 3.75 miles apart. The river between these points is approximately 800 feet wide; the channel is approximately 9 feet deep and 320 feet wide. The vessel's draft is approximately 6.5 feet. The vessel's first drydock examination, based on a five-year interval, was due 31 May 1997.

3. Actions to Date. The dilemma facing the casino boat operators has resulted in the following:
- a. The UWILD demonstration on the EMPRESS was conducted 19-20 May and was attended by representatives from G-MOC, D8(m), D9(m), MSO Chicago, and MSO St. Louis. Upon conclusion of the demonstration, the consensus among CG attendees was that the examination process would not suffice for a full 5-year credit hull examination. This opinion was based on the limited (approximately 12 inch) field of vision offered by the underwater video. However, the group was satisfied that the underwater examination, coupled with gaugings and internal examination, would qualify for a 30-month drydock extension. The benign operating environment of the EMPRESS weighed heavily on this decision.
- b. Rather than set an undesirable precedent allowing drydock extensions greater than one year, G-MOC made the decision to grant a one-year drydock extension with the intent to revisit the issue. This decision may have prompted Congressman Weller, R-IL, to request a meeting with Commandant to discuss the issue. Several other congressmen and staff representing districts with gaming vessel interests were also planning to attend this meeting. Although the meeting was canceled at the last minute, the political interest surrounding this issue still remains; Mr. Weller suggested rescheduling the meeting for sometime in August.
- c. On 22 July 1997, a working group meeting was held with industry to further discuss drydocking alternatives for passenger vessels. The meeting was intended to give concerned members of the passenger vessel industry an opportunity to present their proposals, opinions, and recommendations to help resolve this issue. A total of 26 persons attended the meeting. The majority represented the gaming vessel industry. Others in attendance were Pete Lauridsen (PVA), several marine consultants, one person representing a dive company, and one person representing a drydock and ship repair company. Coast Guard representation included G-MOC, G-MO-1, D8(m), D9(m), MSO Chicago, and MSO St. Louis. Industry representatives primarily offered opinions why the Coast Guard should allow drydock alternatives for gaming vessels. Pete Lauridsen proposed drydock alternatives be considered for all passenger vessels and suggested drydock regulations be revised using risk analysis with consideration of new technologies. Although no new hull examination methods or proposals were presented, the meeting proved worthwhile by giving industry the opportunity to present their thoughts and opinions on the subject. Copies of the most recent proposal from Empress Casinos and input from RGMA and PVA are included in enclosures 2, 3, and 4 respectively.
- d. On 23 July 1997, Coast Guard personnel met to discuss results of the industry meeting and develop recommendations on the issue. All agreed that we should develop a proposal to allow alternatives to drydock examinations for vessels operating in benign, low-risk environments. Details of the team's proposal are outlined in the Recommendations section below.

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4. Options Identified by the Gaming Industry. The 22 July industry/CG meeting yielded discussion of the following options:
- a. The gaming vessel industry overwhelmingly agrees that the Coast Guard should accept the latest proposal submitted by Empress Casinos. The proposal suggests using a Special Vessel Examination Procedure (SVEP) in lieu of a drydock examination. In brief, the SVEP calls for the following:
 - i. Use of a marine consultant, acceptable to the OCMI, and divers to conduct a preliminary examination of the vessel hull. The preliminary examination would be used to assess the overall condition of the vessel hull and identify specific concerns that should be addressed. A marine inspector would not have to be present for this part of the exam process.
 - ii. An underwater grid system consisting of stainless steel cables and sequentially numbered tags at one foot intervals would be anchored in place.
 - iii. A complete (100% coverage) underwater hull examination would be supervised by the marine consultant and recorded on videotape. The consultant would identify areas requiring further examination by a marine inspector. The videotape would be indexed to enable the marine inspector to readily identify and review important sections of the tape.
 - iv. The divers would also include on videotape the plugging of sea chests, gauging of shaft bearings, and pulling of tail shafts (if applicable). NOTE: A safe method for sea valve removal was demonstrated on the EMPRESS.
 - v. The divers would conduct belt gaugings at the bow, stern, and midships including more critical wind and water strake locations. The number and exact location of belt gaugings would be determined by the OCMI.
 - vi. The marine consultant would accompany the Coast Guard inspector during a complete internal examination and take additional audio gauge readings where identified by the marine inspector. Other non-destructive testing could be conducted as deemed necessary. The internal examination would include removal of sea valves for inspection.
 - vii. Under the supervision of the marine consultant, the dive company would provide the OCMI with a detailed examination report including a gauging report, bearing clearances, and a copy of the videotape.
 - viii. The SVEP would also include an underwater hull maintenance and inspection program involving routine underwater hull examinations. Underwater inspections would be conducted annually and documented in a written report. This would not require CG inspector attendance however, any problems would be reported to the OCMI
 - ix. Empress Casinos proposes that the SVEP be accepted for a 30-month hull examination credit or extension. This is also supported by RGMA.
 - b. As previously mentioned, one person attended the 22 July meeting representing the ship repair/drydock industry. Mr. Dave Jump of the American Boat Company stated that he is

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prepared to built a floating drydock that could accommodate all but the largest few gaming vessels. Passage through narrow locks and under low bridges could be accomplished by building the drydock in two or three sections and assembling the drydock on site.

c. Continental Marine Consultants proposed the use of portable cofferdams to satisfy the hull examination requirement for land-locked vessels. This could be accomplished by constructing a 10-foot wide box (open at the top) extending from the keel to the waterline, using flexible seals to conform to the hull. When the water is pumped out, the resulting buoyancy would seal the cofferdam to the hull and permit marine inspectors to conduct a dry hull examination. The cofferdam would have to be moved along the length of the vessel, at 10-foot intervals, to allow for a complete examination of the hull.

d. Another option, not readily endorsed nor advertised by the gaming industry, involves the charter of a replacement vessel to fill the vacancy while a vessel is drydocked. There are several vessels currently out of service that could potentially serve as replacement vessels. At least one vessel has already made use of this option to satisfy the Coast Guard drydocking requirement. Of course, this is not a viable option for the land-locked vessels.

5. CG Working Group Recommendations. The 23 July working group considered all possible options and made the following recommendations:

a. **Allow 30-month drydock extensions (with the possibility of consecutive extensions) upon completion of a satisfactory underwater and internal hull examination, similar to the Special Vessel Examination Program (SVEP) proposed by Empress Casinos.** The following comments apply:

- i. This is the most desirable option because it conveys to the marine industry our willingness to consider novel inspection techniques while remaining within regulatory authority.
- ii. This special examination procedure should be pursued as a drydock extension process rather than a drydock equivalency or UWILD.
 - Regulations in Subchapter H (46 CFR 71.50-3(f)) and K (46 CFR 155.670) give Commandant the authority to grant unlimited drydock extensions
 - The equivalency provision in regulation is only intended for substitution of required equipment, materials, etc.; it does not provide for substitution of inspection procedures.
 - By regulation, UWILDs are not permitted for passenger vessels. Details on the drydocking and UWILD regulations are provided in enclosure (1).
- iii. The SVEP option should be made available to all inland passenger vessels subject to the following eligibility criteria:
 - The vessel operates exclusively in fresh water on rivers or protected lakes.

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- The vessel operates exclusively in shallow water or on a route that would allow prompt and safe grounding of the vessel. For consistency, vessels should be limited to operation within 0.5 NM from shore unless limited to shallow water operation. The maximum water depth for shallow water operation may be defined as the depth at which, if the vessel sinks, the uppermost deck(s) that could accommodate all passengers and crew would remain above water.
- **NOTE:** Water clarity is not factored into these criteria because use of a "clear box" will provide a clear field of vision, at least 12-18 inches in diameter, in any water.

iv. The cognizant OCMI should be given authority to determine vessel eligibility based on local knowledge of vessel operations and waterway conditions. Drydock extension authority should remain with Commandant (G-MOC).

v. The possibility of catastrophic hull failure on this type of vessel is extremely low. Even if a hull failure were to occur, the EMPRESS (and most other inland gaming vessels) could be quickly and safely grounded.

vi. All Coast Guard personnel who attended the UWILD demonstration felt that the maximum credit given for this type of hull examination should be 30 months. This interval is based on the conditions prescribed above and an historically low risk of hull failure.

vii. To enable effective use of marine inspection resources, the OCMI should be given discretion to utilize third-party examiners, however; the attending marine inspector must be in attendance for critical portions of the underwater examination. As a minimum, the third-party examiner should be a qualified marine surveyor or have prior experience as a Coast Guard marine inspector. With use of a third-party examiner, a marine inspector would likely be on site for only 2 or 3 days compared with 5 or more days without third-party assistance.

viii. The OCMI must be completely satisfied that sea valves and tail shafts can be removed safely. This may require removal of passengers from the vessel.

ix. The attending marine inspector must be fully satisfied with the results of the hull examination to recommend a 30-month extension. Based on results of the examination, the OCMI may recommend Commandant grant a short-term extension or require the vessel to undergo a drydock examination.

6. G-MOC Recommendations. We support all the recommendations made by the CG working group. Enclosure (5) includes a list of the gaming vessels currently inspected by the Coast Guard. Of the 51 vessels listed, it is anticipated that the majority would take advantage of the SVEP. Aside from the gaming vessel industry, this program would appeal to only a few other large passenger vessel operators, such as the SHOWBOAT BRANSON BELLE. It would be cost-prohibitive for most smaller passenger vessels but drydocking is not usually a problem for these vessels.

