

MEMORANDUM OF UNDERSTANDING  
BETWEEN THE  
UNTTIED STATUS COAST GUARD AND THE AMERICAN BUREAU OF SHIPPING  
CONCERNING PLAN REVIEW AND INSPECTION OF VESSELS UNDER  
CONSTRUCTION CERTIFICATED BY THE COAST GUARD  
AND THE TONNAGE MEASUREMENT OF VESSELS

I. Purpose. This Memorandum of Understanding (MOU) sets forth guidelines for cooperation between the American Bureau of Shipping (ABS) and the United States Coast Guard (USCG) in the area of plan review and inspection of vessels under construction and the tonnage measurement of vessels. This MOU incorporates appropriate features of previous MOU's which are canceled. Nothing in this Memorandum alters in any way the statutory or regulatory authority of the USCG or the classification responsibilities of the ABS.

II. Parties.

A. The USCG is statutorily responsible for safety of life and property at sea, and protection of the marine environment under the provisions of Title 46, U.S. Code (U.S.C.), Part B-Inspection and Regulation of Vessels and 33 U.S.C. Chapter 33-Prevention of Pollution from Ships respectively. Under these authorities the USCG prescribes regulations for the design, construction, outfitting (including lifesaving equipment), operation and inspection of certain vessels. Regulations prescribed by the USCG incorporate ABS Rules. In accordance with 46 U.S.C. §3316, the USCG, in order to carry out its inspection and plan review responsibilities, may rely on ABS reports, documents, and certificates. The USCG also has statutory authority under 46 U.S.C. Part J-Measurement of Vessels, for the measurement and the certification of tonnages for vessels required or eligible to be documented as vessels of the United States. Under 46 U.S.C. §4103, and 46 Code of Federal Regulations (C.F.R.) § 69, authority was delegated to the ABS to measure certain vessels. This MOU fulfills the requirements of 46 CFR §6927(d).

B. The ABS is a corporation organized under the laws of the State of New York. The ABS was established to provide to shipowners, shipbuilders, underwriters, shippers and all interested in maritime commerce, whether domestic or foreign, a faithful and accurate classification and Registry of mercantile shipping and to aid and develop the Merchant Marine of the United States. The ABS is chartered for the purpose of promoting the security of life and property on the seas.

As the recognized U.S. classification society in accordance with 46 U.S.C. § 3316, the ABS is maintained as an organization having no capital stock and paying no dividends. The Secretary of Transportation appoints two active representatives, one of which is the Commandant of the USCG, to represent the Government on the Board of Managers of the ABS. Affected American interests and members of the Coast Guard serve on technical and special committees and have a voice and vote in the development of Rules for classification published by the ABS. A standing committee of USCG and ABS Headquarters personnel periodically reviews the relationships between the organizations.

III. USCG Acceptance of ABS Plan Review and Inspection.

The USCG will:

- \* accept plan review and inspection described in USCG Navigation and Vessel Inspection Circulars (NVIC's) for implementing this agreement as part of the USCG vessel certification process for new vessels or vessels undergoing a major modification without review or attendance by USCG personnel.
- \* maintain an oversight program to ensure that USCG regulatory and statutory requirements are being applied properly by ABS personnel.
- \* provide the ABS with policies, interpretations and instructions necessary to perform the delegated plan review and inspection functions.
- \* designate persons to serve as points of contact for periodic review, clarification, and reinforcement of the working relationship between the USCG and ABS. A senior officer will be assigned to the ABS Headquarters.
- \* conduct periodic meetings at all levels with ABS counterparts to promote cooperation and handle matters of interpretation and policy.
- \* process appeals resulting from the actions of the ABS in accordance with pertinent regulations.

The ABS will:

- \* when performing plan review or inspection functions on behalf of the USCG, ensure their staff requires compliance with the requirements of (1) the International Convention for the Safety of Life at Sea (SOLAS) or other international conventions to which the United States is party, (2) United States statutes, (3) USCG regulations including specific industry standards incorporated, and (4) Rules and standards of the ABS, in addition to interpretations, and policies of the USCG that would normally be applied to U.S. flag vessels.
- \* promptly notify the USCG at any time the ABS cannot fulfill its responsibilities under this MOU for any reason.
- \* when disputes arise due to the vessel owner not being willing or able to comply with requirements given under the above standards, ensure that their staff complies with the appeal procedures found in 46 C.F.R. § 1.03.
- \* designate persons at the ABS Headquarters and local levels to serve as points of contact with the USCG on matters of interpretation, policy and the working relationship.
- \* conduct inspections and plan review of a vessel on behalf of the USCG only by full time employees of ABS, and not by employees acting as consultants for that same vessel. ABS will not use an employee to inspect or conduct plan review where such employee has a real or perceived conflict of interest because of his position or status with any other party.
- \* promptly notify the USCG of any condition observed by ABS aboard any vessel subject to Certification by the USCG which fails to meet the requirements of the applicable international conventions, U.S. laws or regulations, if the condition is, or will remain, uncorrected upon completion of the ABS surveyor's visit. Notification of any condition observed by ABS will be made as soon as possible to allow the USCG the opportunity to inspect the vessel.
- \* maintain records of inspections and plan review done on behalf of the USCG which shall be made available to the USCG upon request
- \* provide written confirmation that the vessel was constructed and inspected in accordance with the pertinent regulations of the USCG and advise the USCG of any outstanding requirements or limitations on areas the ABS has inspected.

#### IV. USCG Acceptance of ABS Tonnage Certificates.

The USCG will:

- \* accept the tonnage measurement services delegated in USCG Regulations as part of the USCG vessel certification process without review or attendance by USCG personnel.
- \* maintain a monitoring program to ensure that USCG regulatory and statutory requirements are being applied properly by ABS personnel.
- \* provide the ABS with policies, interpretations and instructions necessary to perform the delegated tonnage measurement functions.
- \* designate persons, in addition to the senior officer assigned to ABS headquarters, to serve as points of contact for periodic review, clarification, and reinforcement of the working relationship between the USCG and ABS.
- \* conduct periodic meeting's at all levels with ABS counterparts to promote cooperation and handle matters of interpretation and policy.
- \* process appeals resulting from the actions of the ABS in accordance with pertinent USCG regulations.

The ABS will:

- \* when performing tonnage measurement functions on behalf of the USCG, ensure that their staff complies with and applies the requirements of 46 U.S.C. Part 3, the applicable portions of 46 C.F.R. Part 69 and the articles and regulations of the International Convention on Tonnage Measurement of Ships, 1969, and all interpretations, and policies of the USCG within the scope of the authority delegated that would normally be applied to U.S. flag vessels.
- \* not use an employee or contractor to measure and certify the tonnage of a vessel if that employee or contractor is acting or has acted as a tonnage consultant for that same vessel.
- \* designate persons at the ABS Headquarters and local levels to serve as points contact with the USCG on matters of interpretation, policy and the working relationship.
- \* accept all requests to perform delegated services without regard to the vessel's location, unless prohibited to do so under the laws of the United States or under the laws of the jurisdiction in which the vessel is located.
- \* physically inspect each vessel before issuing a tonnage certificate.
- \* maintain a tonnage measurement file for each U.S. vessel that the organization measures which shall be accessible to the USCG.
- \* provide the USCG with current schedules of measurement fees and related charges.
- \* permit observer status representation by the USCG at all formal discussions that may take place between the ABS and other vessel tonnage measurement organizations pertaining to tonnage measurement of U.S. vessels or to the systems under which U.S. vessels are measured.
- \* comply with routine procedural provisions jointly agreed to by the USCG and ABS.

V. Effective Date.

This memorandum is effective upon acceptance by both parties as indicated by signatures below.

VI. Termination.

The previous Memorandum of Understanding on plan review and inspection of vessels under construction and the Memorandum of Agreement on tonnage measurement of vessels are canceled. This memorandum may be terminated by one party after written notice to the other party.



P.A. Yost  
Commandant  
United States Coast Guard

Date: APR 11 1990



R.E. Soper  
Chairman and President  
American Bureau of Shipping

Date: 30 March 1990 -