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United States Coast Guard

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NAVIGATION AND VESSEL INSPECTION CIRCULAR NO. 5-99

Subj: GUIDANCE REGARDING VOLUNTARY COMPLIANCE WITH THE INTERNATIONAL MANAGEMENT CODE FOR THE SAFE OPERATION OF SHIPS AND FOR POLLUTION PREVENTION (INTERNATIONAL SAFETY MANAGEMENT (ISM) CODE)

1. PURPOSE. The purpose of this circular is to provide guidance regarding the **voluntary** certification of U.S. vessels and their companies' safety management systems in compliance with Title 33, Code of Federal Regulations (CFR), Part 96. This circular also provides guidance regarding the recognition of organizations to act on behalf of the U.S. to complete audits and voluntary certification of U.S. vessels and their companies' safety management systems. U.S. vessels which must mandatorily meet safety management system requirements shall meet 33 CFR part 96 and follow the guidelines provided by Chapter 37 of the Coast Guard's Marine Safety Manual, Volume II.

2. DIRECTIVES AFFECTED. NVIC 2-94 is cancelled.

3. BACKGROUND.

   a. NVIC 2-94 provided guidance on the development and certification of safety management systems for U.S. flag vessels and their companies under a voluntary certification system prior to the ISM Code being adopted as Chapter IX of the International Convention of the Safety of Life at Sea (SOLAS), 1974. Since NVIC 2-94 was published in March 1994, further resolutions have been adopted at the International Maritime Organization (IMO) to provide guidelines for the implementation and certification of safety management systems compliant with the ISM Code. Nationally, the Coast Guard has been delegated the authority by law to prescribe regulations for the mandatory and voluntary certification of U.S. vessels and their companies' safety management systems under Public Law 104-324, signed by the President on October 19, 1996. Regulatory development has been completed by the Coast Guard for mandatory and **voluntary** compliance, certification and enforcement requirements for U.S. vessels

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NON-STANDARD DISTRIBUTION: (See page 4.)

and for the U.S. port state control program of examining foreign vessels operating in U.S. waters. The U.S. regulations were published in the Federal Register (62 FR 67492) on December 24, 1997, in 33 CFR part 96.

b. Section 600 of Pub. L. 104-324, amended Title 46 U.S. Code by adding a new chapter 32, "Management of Vessels." The statute's applicability for mandatory certification of U.S. vessels parallels the requirements of Chapter IX of SOLAS. As of July 1, 1998, mandatory certification is required for all passenger vessels engaged on a foreign voyage carrying more than 12 passengers; and tank vessels, bulk freight vessels, or high speed freight vessels of at least 500 gross tons or more engaged on a foreign voyage. As of July 1, 2002, mandatory certification is required for all other freight vessels and self-propelled mobile offshore drilling units (MODUs) of at least 500 gross tons or more engaged on a foreign voyage. For U.S. vessels which are not mandatorily required to meet the safety management system requirements of 33 CFR 96 or the ISM Code, 46 U.S.C. 3202(b) provides the direction and authority for the certification of a **voluntary** program put in place by a U.S. company on one or more of its U.S. vessels. 33 CFR 96 is the basis for the requirements of a voluntary safety management system.

c. A voluntary safety management system will meet the full extent of performance elements required by 33 CFR 96. Unmanned vessels cannot have safety management systems that are certificated under this guidance as they do not have a Master or Person-in Charge. Safety management systems are based on managing people and cannot be established when a vessel is unmanned. Vessels such as barges, certificated to operate in an unmanned condition, shall be covered by the safety management system provided by the tug or vessel, which navigates it. The same is true for any other type vessels which are not self-propelled; example-offshore drilling unit which is not manned during towing operations. Enclosure (1) of this NVIC provides guidance on how and which vessels can and cannot be certificated under the U.S. voluntary safety management system program along with acceptable variations for specific types of vessels.

4. DISCUSSION.

a. The Coast Guard will not perform external audits or voluntary certification of U.S. vessels or their companies' safety management systems. These actions may be completed by authorized organizations recognized by the Coast Guard. At this time, the Coast Guard has only recognized the American Bureau of Shipping (ABS) as an organization that may act on behalf of the U.S. and perform safety management system auditing and voluntary certification for U.S. vessels. As other organizations apply and become recognized to perform these actions for the U.S., the Coast Guard will update this information or it can be requested at any time directly from the U.S. Coast Guard's Naval Architecture Division (Commandant (G-MSE-2)), Office of Design and Engineering Standards, telephone number: (202) 267-2988, or by facsimile at: (202) 267-4816. Any organization wishing to apply for recognition and authorization to perform auditing and certification of these U.S. voluntary systems can find the application requirements and guidelines in the following references:

(1) Coast Guard's Marine Safety Manual, Volume II, Chapter 37;

(2) 46 CFR part 8; and

(3) 33 CFR part 96, subpart D.

b. A listing of recognized organizations and their delegations of authority from the U.S. can also be received from the Coast Guard's Marine Safety and Environmental Protection (G-M) home page on the World Wide Web. The address of the home page is:

http://www.dot.gov/dotinfo/uscg/hq/g-m/gmhome.htm.

There are links from the G-M home page to a glossary of Coast Guard publications including NVICs and to the IMO publication link for references to international resolutions and guidelines.

c. Certification can be completed by ABS directly, after the satisfactory completion of an external audit of the Company's voluntary safety management system and satisfactory completion of an external audit on board each vessel seeking voluntary certification. The time periods for audits and certification will meet the same parameters as provided by 33 CFR part 96. Only the Coast Guard will be able to remove or revoke a certificate from a vessel or its company after being issued. ABS will notify the Coast Guard of any outstanding non-conformities which may warrant a certificate removal action. The Coast Guard will continue to oversee ABS certification programs, or the programs of any other organization that may be delegated authority to complete this program in the future. Enclosure (2) provides examples of the Safety Management Certificates and Document of Compliance issued for certification of voluntary safety management systems.

5. IMPLEMENTATION.

a. Many companies have instituted programs, such as quality systems, which mirror the safety management system performance elements of the ISM Code. The voluntary certification of safety management systems allows continued growth and recognition of the companies' superior capabilities which can be an advantage for the purposes of contract, insurance and vetting of their vessels. Programs such as this reduce risk and have the built in self-evaluation processes which also are the basis of the Coast Guard's Streamlined Inspection Programs (SIP). Any questions which arise regarding these other vessel inspection programs may be directed to the Vessel Compliance Division of the Office of Compliance (G-MOC-2), at (202) 267-1464.

b. Each cognizant Officer-In-Charge, Marine Inspection, shall give this program the widest dissemination, especially during industry days and within safety office newsletters. Interested owners can contact ABS locally or may contact the Coast Guard's local marine safety units for references of how to contact local offices of U.S. delegated organizations.

b. Manned Barge: This barge is considered manned when so certified by the Coast Guard. This barge has living quarters to allow personnel to live onboard and a Certificate of Inspection with specific manning requirements to handle barge operations, assist with towing vessel handling, and oversee and control cargo operations. Aboard manned barges, the Master's responsibilities should be delegated to the senior tankerman assigned to the barge by the vessel's owner. This responsibility can be delineated in the vessel organization chart and discussed in the management procedures for the vessel operation. This arrangement is open to interpretation due to the numerous ways management controls can be exercised by the owner of the barge.

If questions arise regarding whether a barge can or cannot be certificated under this voluntary program, a written request for determination can be directed to the Vessel Compliance Division (Commandant (G-MOC-2) at Coast Guard Headquarters. This request should be sent via the U.S. recognized authority requested by the barge's owner to complete the audit and certification of their safety management systems.

c. Public vessels. Many public vessels are under contract to the U.S. government or within the Ready Reserve Fleet (RRF). These RRF vessels are usually stored with skeleton crews managing their continuous readiness in different ports within the U.S. The companies that manage these vessels are private U.S. companies that may request safety management system certification for their companies and the vessels they manage for the U.S. government. There are times when these vessels will not get underway for extended periods of time, which does not allow the implementation or exercising of a safety management system by a full complement of the vessel's crew. In these situations the following requirements apply:

(1) The company can apply and be audited for issuance of a voluntary DOC under the requirements of 33 CFR 96.
(2) The vessel(s) managed by the company, can be issued a voluntary interim SMC, if it can be shown that the skeleton crews are aware of and are trained in the company's safety management system.
(3) The interim SMC can be extended upon request by the company managing a vessel for the U.S., if the vessel does not go into full underway operation during the normal limits of an interim certificate. Such a request for an extension for a voluntary interim SMC, must be made in writing to the delegated authority that issued the interim certificate. In such a situation, evidence of internal audits of the company and vessel safety management system must be provided to the delegated authority for an extension of the voluntary interim SMC to be granted.
(4) The delegated authority can extend a voluntary interim SMC, for up to 12 months from the date the original certificate expires.
(5) If special circumstances prevail for a public vessel due to its special operational requirements, a written request can be sent to Commandant

(G-MOC-2), via the delegated authority, to request special consideration and flexibility for the voluntary certification of a public vessel's safety management system.

There are situations where government vessels are placed in an unmanned storage condition within a U.S. port. Each of these types of unmanned vessel situations will be unusual, as each company managing these types of vessels will most likely be managed differently. Commandant (G-MOC-2) shall be contacted by the recognized authority when these situations arise for voluntary certification requests. Where a company already is issued a voluntary DOC, a vessel under its management which is in unmanned storage can be left out of the safety management system until it is placed in service so that the system can be implemented, exercised and certificated. Certification of the company's safety management system would still involve the guidelines for company shoreside operations, vessel storage management, breakout management, and full implementation of those vessel(s) with safety management systems when the vessel(s) is broken out of storage.

d. Commercial vessels in unusual trade. Certain vessels, such as tugs, are frequently managed by an individual who's title is not "Master." This occurs on towing and pushing tugs, dredges, barges, vessel carrying less than 12 passengers and numerous other vessel types. For these vessels and their companies to receive voluntary certification of their safety management system, the system must clearly identify the senior vessel crewmember assigned to the role of the master for the performance elements of the master's responsibilities within the Code. This shall be illustrated in the organizational chart of the safety management system, and state the title of the person responsible for these duties. The designated person, and the individual named in the safety management system in the master's role, can not be the same individual. In situations where a vessel cannot navigate on its own power (not self-propelled), the performance requirements relating to navigation and propulsion equipment are not required to be met for certification.

3. Voluntary ISM Code certification on non-U.S. companies or vessels. If a foreign company should be contracted as the management company for a U.S. vessel, it's safety management system can be audited and certificated to the U.S. voluntary program. No foreign flag vessel will be allowed to participate in the U.S. voluntary certification program. These foreign flag vessels should seek out a comparable program through their flag state's vessel inspection programs.

4. Certificates for Voluntary U.S. ISM Code certification of companies and U.S. vessels. Enclosure (2) of this NVIC provides the acceptable formats for U.S. voluntary DOC and SMC certificates. Where specific interpretations or equivalencies have been accepted for the voluntary certification of a company or vessel safety management system by the recognized authority, a letter will be attached to the voluntary DOC or SMC describing such interpretations. This letter should be noted as an attachment on

the DOC or SMC certificate when issued. If changes occur to the company's or vessel's safety management system which would alter the acceptance of the attached interpretations, the owner of the vessel must provide the recognized organization a written statement of the amendments or alteration. The recognized organization will externally audit the system to confirm the changes meet Code requirements and the original certificate(s) will be amended by the issuing organization. The recognized organization shall provide the Coast Guard with a copy of every DOC, SMC and attachment to these certificates, when issued under this voluntary program for U.S. vessels.

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Voluntary Safety Management Certificate

Issued for voluntary compliance with the requirements of Title 33, Code of Federal Regulations (CFR) Part 96 Subpart B, under the authority of

The United States of America

By the _____**(Recognized Organizations Name)**____

Name of Ship: _____
Distinctive Numbers or Letters: _____
Port of Registry: _____
Type of Ship[1]: _____
Gross Tonnage: _____
IMO Number: _____
Name and Address of Company/Owner: _____
_____
_____
_____

This is to certify that the Safety Management System of the above named ship has been audited and complies with the requirements of 33 CFR 96, Subpart B. Any exceptions or interpretations that have been allowed in variation of the specified requirements in 33 CFR 96, are listed on pages 3 and 4 (strike out if no attachment) of this certificate, following verification that the company's Document of Compliance certificate is applicable to this type of ship.

This Safety Management Certificate is valid until _____, subject to periodical verification and the validity of the Document of Compliance.

Issued at :_____
(place of issue of the certificate)

Date of Issue:_____

_____
(Signature of duly authorized official from U.S. recognized organization)

[1] insert the type of ship from among the following: Passenger Ship; Passenger High Speed Craft; Cargo High Speed Craft; Bulk Carrier; Oil Tanker; Chemical tanker; Gas Carrier; Mobile Offshore Drilling Unit; or Other Cargo Ship.

Endorsement for Periodical, and Additional Verification

(if required)

This is to certify that, at the intermediate verification in accordance with the requirements of Title 33, Code of Federal Regulations (CFR), Part 96, Subpart C, the ship's safety management system was found to comply with 33 CFR Part 96, Subpart B, as modified in the Voluntary Safety Management Certificate listings.

Intermediate Verification
(to be completed between the second and third anniversary date of certificate)

Signed:_____

Place:_____

Date:_____

Additional Verification *

Signed:_____

Place:_____

Date:_____

Additional Verification*

Signed:_____

Place:_____

Date:_____

Additional Verification *

Signed:_____

Place:_____

Date:_____

* if applicable

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Listing of Exceptions or Interpretations for certification of a company's Safety Management System as attachment to a U.S. authorized Voluntary Safety Management Certificate:

Continued listing of Exceptions or Interpretations for certification of a company's Safety Management System as attachment to a U.S. authorized Voluntary Safety Management Certificate:

Voluntary Document of Compliance Certificate

Issued for voluntary compliance with the requirements of Title 33, Code of Federal Regulations (CFR) Part 96 Subpart B, under the authority of

The United States of America

By the _____**(Recognized Organizations Name)**____

Name and address of the Company: _____

_____

_____

_____

(see paragraph 1.1.2 of the ISM Code)

This is to certify that the Safety Management System of the above named company has been audited and complies with the requirements of 33 CFR 96, Subpart B. Any exceptions or interpretations that have been allowed in variation of the specified requirements in 33 CFR 96, are listed on pages 3 and 4 (strike out if no attachment) of this certificate, for the types of ships listed below (delete as appropriate):

Passenger Ship
Passenger High Speed Craft
Cargo High Speed Craft
Bulk Carrier
Oil Tanker
Chemical Tanker
Gas Carrier
Mobile Offshore Drilling Unit
Other Cargo Ship

This Document of Compliance is valid until _____, subject to periodical verification.

Issued at :_____
(place of issue of the certificate)

Date of Issue:_____

_____
(Signature of duly authorized official from U.S. recognized organization)

Endorsement for Annual Verification of SMS

This is to certify that, according to the requirements of Title 33, Code of Federal Regulations (CFR), Part 96, Subpart C, the company's safety management system was found to comply with 33 CFR Part 96, Subpart B, as modified in the Voluntary Document of Compliance listings.

1st Annual Verification

Signed:_____

Place:_____

Date:_____

2nd Annual Verification

Signed:_____

Place:_____

Date:_____

3rd Annual Verification

Signed:_____

Place:_____

Date:_____

4th Annual Verification

Signed:_____

Place:_____

Date:_____

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Listing of Exceptions or Interpretations for certification of a company's Safety Management System as attachment to a U.S. authorized Voluntary Document of Compliance Certificate:

Continued listing of Exceptions or Interpretations for certification of a company's Safety Management System as attachment to a U.S. authorized Voluntary Document of Compliance Certificate: