

MEMORANDUM OF AGREEMENT
between the
UNITED STATES COAST GUARD
and
NIPPON KAIJI KYOKAI
GOVERNING PARTICIPATION IN THE ALTERNATE COMPLIANCE PROGRAM AND
THE DELEGATION OF CERTAIN SURVEY
AND CERTIFICATION SERVICES
FOR UNITED STATES OF AMERICA FLAGGED VESSELS

1. PARTIES.

This Memorandum of Agreement delegates authority and sets forth guidelines for cooperations between the United States Coast Guard (Coast Guard) and Nippon Kaiji Kyokai (ClassNK).

2. AUTHORITY.

The Coast Guard is statutorily authorized to administer laws and promulgate and enforce regulations for the promotion of the safety of life and property at sea and the protection of the marine environment. In accordance with the authority granted by Title 46, United States Code, Section 3316 and as implemented under the regulations in Title 46, United States Code of Federal Regulations, Part 8, the Coast Guard may delegate the authority to perform plan review and approval, inspections and examinations, and issuance of certain international convention certificates. Additional authority to perform safety management plan review and approval, inspections and examination, safety management audits and to issue certain international convention certificates is implemented in Title 33, United States Code of Federal Regulations, Part 96. The Coast Guard also has statutory authority under Title 46, United States Code, Part J - Measurement of Vessels, for the measurement and the certification of tonnage for vessels for which the application of a law of the United States depends on the vessel's tonnage. Under Title 46, United States Code, Section 14103, the Coast Guard may delegate the authority to measure vessels to qualified persons. Title 46, United States Code, Section 5107, authorizes the Coast Guard to delegate the authority to assign load lines, survey vessels, determine that load line marks are marked correctly, and issue load line certificates to qualified organizations

3. PURPOSE.

The purpose of this Agreement is to authorize ClassNK to participate in the Alternate Compliance Program and perform specified vessel survey, inspection, and certification functions on U.S. flagged vessels on behalf of the Coast Guard.

This Agreement defines the scope, terms and conditions and requirements of the authority delegated to ClassNK.

The term "Agreement" in this document refers to this Memorandum of Agreement and its Annex or subsequent amendments that may be agreed upon by ClassNK and the Coast Guard. In this Agreement, the term "Commandant" refers to the United States Coast Guard Assistant Commandant for Prevention Policy.

This Agreement relates to the initial and subsequent surveys and periodic re-inspections or examinations of "Vessels" of the United States, as that term is defined by 46 United States Code, Section 116, both in the United States and in foreign countries. Nothing in this Agreement alters in any way the statutory or regulatory authority of the Coast Guard.

This Agreement shall be governed by and conducted in accordance with United States law.

This Agreement supersedes the Agreement previously executed on December 8, 2011 between the Coast Guard and ClassNK governing the delegation of certain survey and certification services for United States of America flagged vessels. This Agreement also supersedes the Annex to the December 8, 2011 Agreement executed on December 25, 2012 and any other delegations of Coast Guard survey and certification services between the Coast Guard and ClassNK.

4. RESPONSIBILITIES -- GENERAL CONDITIONS.

Delegated functions performed by, and certificates issued by, ClassNK will be accepted as functions performed or certificates issued by the Coast Guard, provided that ClassNK remains in compliance with all provisions of this Agreement. This MOA does not apply to offshore facilities subject to 46 U.S.C. § 3316(d).

5. RESPONSIBILITIES -- AUTHORIZED FUNCTIONS.

5.1 The Coast Guard delegates to ClassNK the authority to participate in the Alternate Compliance Program, measure vessels, conduct the initial and subsequent surveys, periodic re-inspections and examinations including dry-docking examinations and the authority to issue and endorse certain certificates as provided in the Annex to this Agreement for U.S. flagged vessels, both in the United States and in foreign countries. In carrying out these functions, ClassNK shall comply with any restrictions, special instructions or supplemental requirements as required by this Agreement.

5.2 The Coast Guard will accept the review and approval of vessel plans by ClassNK in the same manner as if approved by the Coast Guard for those plans related to the functions authorized by this Agreement. The Marine Safety Center shall be notified in accordance with Marine Technical Note 04-03 when plans are approved on behalf of the Coast Guard.

5.3 The Coast Guard retains the authority to revoke or suspend any certificates issued by ClassNK on behalf of the Coast Guard, as such authority is not delegated to ClassNK. (See Part 10 of this Agreement for related reporting requirements.)

6. RESPONSIBILITIES -- DEVELOPMENT OF RULES AND/OR REGULATIONS
-- INFORMATION.

6.1 ClassNK shall allow the Commandant to participate in the development of class rules and provide the Commandant the opportunity to comment on any proposed changes to its class rules and to respond to the disposition of those comments.

6.2 Where ClassNK adopts changes to its rules for ship classification that are determined by the Coast Guard to be inconsistent with Title 46, United States Code of Federal Regulations, Chapter I, or Coast Guard policy, the Coast Guard may require ClassNK to administer corrective measures or provisions to any rules or activities that affect any delegated activities on behalf of the Coast Guard.

6.3 ClassNK shall submit for approval by the Coast Guard proposed changes to any supplemental requirements to ClassNK class rules that may affect any vessel inspection or certification activities by ClassNK under this Agreement.

6.4 "Supplemental Requirements" as contained in the Coast Guard approved U.S. Supplement to ClassNK class rules shall include all requirements applicable for the issuance of a Certificate of Inspection, which are not, in the opinion of the Commandant, adequately established by either ClassNK rules or applicable international conventions.

7. RESPONSIBILITIES -- OTHER CONDITIONS.

7.1 Remuneration for delegated survey and certification services carried out by ClassNK on behalf of the Coast Guard will be charged by ClassNK directly to the party requesting such services.

7.2 ClassNK shall provide the Commandant, upon request, with a current copy of fee schedules, including changes to the schedule, for all functions delegated under this Agreement.

7.3 In issuing certificates or performing other functions on behalf of the Coast Guard under this Agreement, ClassNK shall apply Coast Guard interpretations, when they exist.

7.4 ClassNK shall ensure that its employees engaged in the performance of functions delegated under this Agreement are appropriately certified under the ClassNK qualification scheme and are familiar with and require compliance with applicable United States laws and regulations, Coast Guard policies, interpretations, and instructions, including, but not limited to:

- (1) as authorized, applicable international conventions to which the United States is a party;
- (2) United States statutes;
- (3) United States federal regulations;
- (4) ClassNK rules and regulations for the classification of ships; and

(5) any restrictions, special instructions, and supplemental requirements as required by this Agreement.

7.5 Unless specifically stated otherwise, only qualified "exclusive employees" of ClassNK, who are defined as persons permanently employed by ClassNK rendering services exclusively on behalf of ClassNK and holding Certificates of Competence within the Fields of Competence covered by the ClassNK qualification scheme, are authorized to perform work pursuant to any delegated function specified under this Agreement.

7.6 ClassNK shall honor any appeal decision made by the Commandant on issues related to delegated functions under this Agreement.

7.7 In the event the Coast Guard is found liable in a court of law for losses or damages sustained due to a negligent act or omission by ClassNK, its officers, employees or others who were acting on behalf of ClassNK pursuant to this Agreement, the Coast Guard is entitled to obtain compensation from ClassNK up to, but not exceeding, the amount of the Coast Guard's financial liability.

7.8 While acting on behalf of the Coast Guard under this Agreement, ClassNK shall be free to create contracts directly with clients and such contracts may contain ClassNK's normal contractual conditions for limiting its legal liability.

7.9 The interpretation by the Coast Guard of the technical aspects of this Agreement shall be final.

7.10 ClassNK shall require a U.S. flag vessel to meet all of the classification society's requirements prior to accepting the vessel into ClassNK class upon transfer from another classification society.

7.11 ClassNK shall suspend class for any U.S. flag vessel that is overdue for special renewal or annual survey.

8. RESPONSIBILITIES -- SPECIFICATION OF DELEGATED FUNCTIONS.

8.1 This Agreement applies to any delegated function performed by ClassNK for U.S. flagged vessels that are certificated for international voyages, except as explicitly stated otherwise in the Annex to this Agreement.

8.2 Authorized functions, applicable instruments and any restrictions, special instructions or additional requirements for those functions performed on behalf of the Coast Guard are contained in this Agreement and its Annex.

8.3 Coast Guard retains the authority to grant equivalencies and exemptions from the requirements of international conventions, class rules, and any applicable U.S. supplemental requirements to ClassNK class rules as these requirements and rules relate to any authorized functions performed on behalf of the Coast Guard under this Agreement.

8.4 Coast Guard retains the authority to grant any extensions of authorized certificates.

8.5 ClassNK shall attend any U.S. flagged vessel for which it has performed any delegated function on behalf of the Coast Guard at the request of an appropriate Coast Guard official.

8.6 ClassNK shall accept all requests to perform delegated services without regard to the vessel's location, unless prohibited from doing so under the laws of the United States or under the laws of the jurisdiction in which the vessel is located.

8.7 ClassNK shall allow those exclusive employees, authorized to perform delegated functions on behalf of the Coast Guard, to participate in training with the Coast Guard regarding those functions.

8.8 All documentation issued by or requested from ClassNK pursuant to this Agreement shall be in the English language.

8.9 ClassNK shall maintain a corporate office in the United States that has adequate resources and staff to support all delegated functions.

8.10 All records of survey, inspection, examination, review and approval related to delegated functions conducted on behalf of the Coast Guard shall be maintained in the United States in accordance with the provisions of Title 46, United States Code, Section 3316. ClassNK shall make all records and files related to delegated functions available to Coast Guard personnel, as provided in 46 U.S.C. § 3316(b)(3)(B).

9. RESPONSIBILITIES -- SUPERVISION OF DELEGATED FUNCTIONS.

9.1 ClassNK shall allow the Coast Guard to accompany internal and external quality audits and shall provide written results of such audits to the Commandant upon request.

9.2 ClassNK shall provide the Coast Guard sufficient access necessary to oversee ClassNK to ensure that it continues to comply with the minimum standards required for a recognized classification society as set forth in Title 46, United States Code of Federal Regulations, Part 8.

9.3 ClassNK shall provide a copy of its regulations, rules, instructions, survey procedures, circulars and guidelines that are related to the performance of the delegated functions under this Agreement to the Commandant.

9.3.1 ClassNK shall make available to the Coast Guard written documents related to the performance of the delegated functions. These include, but are not limited to, the following:

- (a) approvals,
- (b) surveys,
- (c) certificates,
- (d) report forms,
- (e) vessel deficiencies, and
- (f) ClassNK vessel recommendations.

9.4 ClassNK shall grant, upon request, the Coast Guard access to all plans and documents, including survey reports, on the basis of which actions are performed under the Alternate Compliance Program or on the basis of which international certificates are issued or endorsed by ClassNK on behalf of the Coast Guard.

9.5 ClassNK shall provide information and access to the Coast Guard which may conduct oversight of those activities performed under the Alternate Compliance Program or related to delegated functions conducted on behalf of the Coast Guard pursuant to this Agreement.

9.6 At the request of the Commandant, ClassNK shall provide any information, statistics and data related to U.S. flagged vessels' compliance to ClassNK rules for the classification of ships, supplemental requirements under this agreement and any appropriate Coast Guard regulations including reports of damage and/or casualties that such vessels may have incurred.

10. REPORTING AND DOCUMENTATION.

10.1 All notifications made by ClassNK under this Agreement shall be made within the time frames specified herein once ClassNK has become aware of the incident, infraction or deficiencies.

10.2 ClassNK shall immediately notify the Commandant of any events where it finds itself unable to fulfill its responsibilities as set forth in this Agreement.

10.3 When ClassNK makes a determination that a U.S. flagged vessel receiving certificates under this Agreement is not in compliance with class rules, applicable international conventions, or supplemental requirements under which its reports or certificates were issued and corrective action is either insufficient to ensure compliance or is not taken or are beyond any extensions allowable under the appropriate instruments, ClassNK immediately shall report the determination to the Coast Guard. The report shall contain the vessel name and official number, if applicable, and a description of the circumstances and deficiencies.

10.4 ClassNK shall report to the Commandant in writing the names and official numbers, if applicable, of any vessels removed from ClassNK for which ClassNK has performed any function delegated under this Agreement on behalf of the Coast Guard. The written notification shall be made within five (5) days, and shall include a description of the reason for the removal from class.

10.5 ClassNK shall, upon notification of such events, inform the Commandant immediately of all cases where U.S. flagged vessels, subject to, or having surveys performed under this Agreement, have been detained under port state control proceedings, or have otherwise been found unfit to proceed to sea without endangering the ship, persons on board or presenting an unreasonable threat or harm to the environment. The report shall contain a description of the circumstances and deficiencies.

10.6 If an employee of ClassNK, while performing the delegated functions of this Agreement, discovers any deficiency that directly or indirectly affects the validity of any aspect of a certificate issued by another classification society, ClassNK shall notify as soon as practicable, but no later than fifteen (15) days following discovery, the cognizant office of that

classification society both verbally and in writing. A copy of the written notice shall be simultaneously provided to the Commandant.

10.7 ClassNK shall provide or make available through the internet to the Commandant within sixty (60) days of publication/posting the ClassNK Register of Vessels.

10.8 ClassNK shall report to the Commandant all information specified in this Agreement at the specified frequency.

11. POINTS OF CONTACT

ClassNK shall designate appropriate persons employed exclusively by ClassNK to serve as points of contact with the appropriate Coast Guard personnel on matters of interpretation, policy, and the working relationship. The points of contact for matters related to this Agreement are listed below.

Commandant (CG-ENG)
U.S. Coast Guard
Office of Design and Engineering Standards
2703 Martin Luther King Jr. Ave Stop 7509.
Washington DC 20593-7509
Tel: (202) 372-1231
Fax: (202) 372-1224

Nippon Kaiji Kyokai (ClassNK)
New York Office
Regional Manager of North America
400 Kelby Street, One Parker Plaza
17th Floor , Fort Lee, NJ 07024
Tel: (201) 944 - 8021
Fax: (201) 944 -8183

12. MODIFICATION.

Amendments to this Agreement or the acceptance of revised annexes shall become effective only after consultation and written agreement between the Coast Guard and ClassNK. Amendments and revised annexes shall go into effect upon authorized signature of both parties.

13. EFFECTIVE DATE.

This Agreement becomes effective upon authorized signature of both the Coast Guard and ClassNK.

14. TERMINATION.

14.1 Termination of this Agreement, any delegated functions under this Agreement and any amendments to this Agreement will occur sixty (60) days after written notice has been given by either party.

14.2 Revocation and termination of this Agreement, any delegated functions under this Agreement and any amendments to this Agreement may be made under the following conditions:

14.2.1 Failure of ClassNK to maintain the minimum standards of a Recognized Class Society, set forth in Title 46, Code of Federal Regulations, Part 8, Subpart B, may be cause for Termination of ClassNK as a classification Society.

14.2.2 Termination of ClassNK as a Recognized class society by the Coast Guard will terminate this Agreement.

14.2.3 Breach of any terms or conditions of this Agreement may be cause for termination of this Agreement.

14.2.4 Change of Authority delegated to the American Bureau of Shipping by the Ministry of Land, Infrastructure, Transport, and Tourism

For the United States Coast Guard

For Nippon Kaiji Kyokai (ClassNK)

 on March 9, 2016

 on March 9, 2016

PAUL F. THOMAS

STEWART S. LEE

Rear Admiral, U.S. Coast Guard

Regional Manager of North and Central America

Assistant Commandant for Prevention Policy

Nippon Kaiji Kyokai (ClassNK)

ANNEX

**To the MEMORANDUM OF AGREEMENT
between the
UNITED STATES COAST GUARD
and
NIPPON KAIJI KYOKAI**

**GOVERNING PARTICIPATION IN
THE ALTERNATE COMPLIANCE PROGRAM
AND THE DELEGATION OF CERTAIN SURVEY
AND CERTIFICATION SERVICES
FOR UNITED STATES OF AMERICA FLAGGED VESSELS**

APPLICABLE INSTRUMENTS AND AUTHORIZATIONS

1. Tonnage

1.1 The following instruments apply:

- International Convention on Tonnage Measurement of Ships of 1969 as implemented by Title 46, United States Code (U.S.C), Part J.
- Title 46, United States Code of Federal Regulations (CFR), Part 69 – Convention Measurement System
- Title 46, United States Code of Federal Regulations, Part 8

1.2 ClassNK is authorized to issue Tonnage certificates on behalf of the United States of America on U.S. Flag Vessels and to perform all related functions in accordance with the International Convention on Tonnage Measurement of Ships, 1969, as implemented by 46 U.S.C. Chapter 143, or in accordance with the Standard or Dual Measurement Systems under 46 U.S.C. Chapter 145. This authorization may be performed for U.S. flag vessels certificated, or to be certificated, for international and domestic voyages.

1.3 In addition to the conditions set forth in the Agreement and the requirements set forth in the applicable instruments, the following conditions will be adhered to in execution of this authorized function on behalf of the Coast Guard.

1.3.1 ClassNK may use part-time employees or independent contractors in lieu of exclusive employees to provide measurement services, provided such individuals have been specifically designated by ClassNK to perform this function.

1.3.2 ClassNK shall 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 the same vessel.

1.3.3 ClassNK shall physically conduct a compliance inspection before issuing each tonnage certificate.

1.3.4 ClassNK will notify the Coast Guard of scheduled meetings that may take place between ClassNK and other vessel tonnage measurement organizations pertaining to tonnage measurement of U.S. flagged vessels or to systems under which U.S. flagged vessels are measured.

1.3.5 ClassNK shall, in addition to any requirements of class rules and applicable instruments, apply the supplemental requirements contained within this Annex and the Coast Guard approved U.S. Supplement to the ClassNK class rules when performing any authorized function under the Alternate Compliance Program on behalf of the Coast Guard pertaining to the Tonnage certification and survey of U.S. flagged vessels.

2. Load Lines

2.1 The following instruments apply:

- International Convention on Load Lines (ICLL), 1966
- Protocol of 1988 relating to the International Convention on Load Lines, 1966, as amended
- Title 46, United States Code, Part C – Load Lines of Vessels
- Title 46, United States Code of Federal Regulations, Subchapter E “Load Lines” (parts 41 through 47)
- Title 46, United States Code of Federal Regulations, Part 8

2.2 ClassNK is authorized to issue International Load Line certificates and perform all related functions in accordance with the International Convention on Load Lines for U.S. flag vessels. International Load Line certificates issued under the provisions of this agreement may be endorsed as being issued on behalf of the “United States of America.”

2.3 In addition to the conditions set forth in the Agreement and the requirements set forth in the applicable instruments, the following conditions will be adhered to in execution of this authorized function on behalf of the Coast Guard:

2.3.1 All requests for exemptions, equivalencies, and experimental purposes (per International Convention on Load Lines Articles 6, 8, and 9, respectively), or other special considerations allowed under the International Convention on Load Lines at the discretion of the Flag Administration, must be forwarded to the Commandant for approval. Such requests must include supporting information and a recommendation from ClassNK concerning approval. Upon approval by the Commandant, ClassNK may issue the appropriately annotated International Load Line Certificate.

2.3.2 With respect to ICLL Regulation 10, Information to be supplied to the master: IMP circular MSC.1/Circ.1229 sets forth guidelines for approval of stability instruments. Paragraph 4.6 therein specifies tolerances for various data values. However, the Coast Guard has determined that certain tolerances specified in ISO Standard 16155 are more-stringent, and has issued instructions to all authorized class societies that when approving stability instruments on behalf of the Coast Guard, the ISO tolerances shall be used in lieu of the MSC circular as follows:

Hull from Dependent	MSC.1/Circ. 1229	ISO Standard 16155
Displacement	2%	0.35%
LCB. from AP	1%/ 50 cm max	0.2% max
Transverse metacentric height	1%/ 5 cm max	0.2% max

2.3.3 ClassNK shall, in addition to any requirements of class rules and applicable instruments, apply the supplemental requirements contained within this Annex and the Coast Guard approved U.S. Supplement to ClassNK class rules when performing any authorized function under the Alternate Compliance Program on behalf of the Coast Guard pertaining to the survey and certification of U.S. flagged vessels for the International Load Line Certificate.

3. SOLAS Cargo Ship Safety Construction Certificate

3.1 The following instruments apply:

- International Convention for the Safety of Life at Sea (SOLAS), 1974, as amended
- Title 46, United States Code of Federal Regulations, Part 8

3.2 ClassNK is authorized to conduct plan review and approval, initial and subsequent surveys, and periodic re-inspections and examinations in order to issue and endorse the SOLAS Cargo Ship Safety Construction Certificate. SOLAS Cargo Ship Safety Construction Certificates issued under the provisions of this agreement may be endorsed as being issued on behalf of the "United States of America."

3.3 In addition to the conditions set forth in the Agreement and the requirements set forth in the applicable instruments, the following conditions will be adhered to in execution of this authorized function on behalf of the Coast Guard:

3.3.1 All requests for exemptions and equivalencies (per International Convention for the Safety of Life at Sea (SOLAS), 1974, as amended), must be forwarded to the Commandant for approval. Such requests must include supporting information and a recommendation from ClassNK concerning approval. Upon approval by the

Commandant, ClassNK may issue the appropriately annotated SOLAS Cargo Ship Safety Construction Certificate.

3.3.2 ClassNK shall, in addition to any requirements of class rules and applicable instruments, apply the supplemental requirements contained within this Annex and the Coast Guard approved U.S. Supplement to ClassNK class rules when performing any authorized function under the Alternate Compliance Program on behalf of the Coast Guard pertaining to the survey and certification of U.S. flagged vessels for the SOLAS Cargo Ship Safety Construction Certificate.

4. SOLAS Cargo Ship Safety Equipment Certificate

4.1 The following instruments apply:

- International Convention for the Safety of Life at Sea (SOLAS), 1974, as amended
- Title 46, United States Code of Federal Regulations, Part 8

4.2 ClassNK is authorized to conduct plan review and approval, initial and subsequent surveys, and periodic re-inspections and examinations in order to issue and endorse the SOLAS Cargo Ship Safety Equipment Certificate. SOLAS Cargo Ship Safety Equipment Certificates issued under the provisions of this agreement may be endorsed as being issued on behalf of the “United States of America.”

4.3 In addition to the conditions set forth in the Agreement and the requirements set forth in the applicable instruments, the following conditions will be adhered to in execution of this authorized function on behalf of the Coast Guard:

4.3.1. All requests for exemptions and equivalencies (per International Convention for the Safety of Life at Sea (SOLAS), 1974, as amended), must be forwarded to the Commandant for approval. Such requests must include supporting information and a recommendation from ClassNK concerning approval. Upon approval by the Commandant, ClassNK may issue the appropriately annotated SOLAS Cargo Ship Safety Equipment Certificate.

4.3.2. ClassNK shall, in addition to any requirements of class rules and applicable instruments, apply the supplemental requirements contained within this Annex and the Coast Guard approved U.S. Supplement to ClassNK class rules when performing any authorized function under the Alternate Compliance Program on behalf of the Coast Guard pertaining to the survey and certification of U.S. flagged vessels for the SOLAS Cargo Ship Safety Equipment Certificate.

5. International Oil Pollution Prevention (IOPP) Certificate

5.1 The following instruments apply:

- International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 (MARPOL 73/78) relating thereto
- Title 46, United States Code of Federal Regulations, Part 8

5.2 ClassNK is authorized to conduct plan review and approval, initial and subsequent surveys, and periodic re-inspections and examinations in order to issue and endorse the International Oil Pollution Prevention Certificate as provided in Annex I, Chapter 2, Regulation 7, MARPOL 73/78, as may be amended, for U.S. flag vessels. IOPP certificates issued under the provisions of this agreement may be endorsed as being issued on behalf of the "United States of America."

5.3 In addition to the conditions set forth in the Agreement and the requirements set forth in the applicable instruments, the following conditions will be adhered to in execution of the authorized function on behalf of the Coast Guard:

5.3.1 ClassNK may issue an IOPP Certificate having a period of validity of not more than 60 months after ascertaining that the vessel meets the applicable requirements of Annex I, MARPOL 73/78.

5.3.2 ClassNK shall follow the published Coast Guard guidelines for the surveying of ships pursuant to issuance of an IOPP certificate. These are contained in Navigation and Vessel Inspection Circular (NVIC) No 6-94 (Change 1) "Guidance for Issuing IOPP Certificates under Annex I of MARPOL, 1973, as modified by the Protocol of 1978, relating thereto;" NVIC No. 10-94, and Change 2 to NVIC No. 10-94 "Guidance for determination and documentation of the Oil Pollution Act of 1990 (OPA 90) Phase-Out Schedule for Existing Single Hull Vessels Carrying Oil in Bulk", and Volume II of the Coast Guard Marine Safety Manual. In determining whether a vessel requires an IOPP Certificate, the term "oil" shall have the same meaning as defined in Chapter 1, regulation 1, of MARPOL Annex I. Vessels whose cargo carriage authority is restricted to products which do not meet the Annex I definition are not required to have an IOPP Certificate, notwithstanding the fact domestic legislation may define the product(s) as an oil.

5.3.3 Multiple IOPP certificates may not be issued to any vessel without the prior approval of the Commandant. A request for multiple IOPP certificates must include supporting information and a recommendation from ClassNK concerning approval. Upon approval by the Commandant, ClassNK may issue the appropriately annotated IOPP Certificate.

5.3.4 All requests for exemptions, equivalencies, major conversion determinations, or alternatives (per MARPOL, Annex I), or other special considerations allowed at the discretion of the Flag Administration under MARPOL, Annex I, must be forwarded to the Commandant for approval. Such requests must include supporting information and a recommendation from ClassNK concerning approval. Upon approval by the Commandant, ClassNK may issue the appropriately annotated IOPP Certificate.

5.3.5 Supplemental requirements for this authorization, if any, are provided for in the Coast Guard approved U.S. Supplement to ClassNK class rules and shall be applied when performing any authorized function under the Alternate Compliance Program on behalf of the Coast Guard pertaining to the survey and certification of U.S. flagged vessels for the International Oil Pollution Prevention Certificate.

6. International Air Pollution Prevention (IAPP) Certificate

6.1 The following instrument applies:

- International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 (MARPOL 73/78) relating thereto
- Title 46, United States Code of Federal Regulations, Part 8

6.2 ClassNK is authorized to conduct plan review and approval, initial and subsequent surveys, and periodic re-inspections and examinations in order to issue and endorse the International Air Pollution Prevention Certificate as provided in Annex VI, Chapter 2, Regulation 6, MARPOL 73/78, as may be amended, for U.S. flagged vessels. IAPP Certificates issued under the provisions of this agreement may be endorsed as being issued on behalf of the "United States of America."

6.3 In addition to the conditions set forth in the Agreement and the requirements set forth in the applicable instruments, the following conditions will be adhered to in the execution of this authorized function on behalf of the Coast Guard:

6.3.1 ClassNK may issue an IAPP Certificate having a period of validity of not more than 60 months after ascertaining that the vessel meets the applicable requirements of Annex VI, MARPOL 73/78.

6.3.2 ClassNK is not authorized to issue Engine International Air Pollution Prevention EIAPP Certificates on behalf of the United States of America. For U.S. flagged vessels, this function is performed by the U.S. Environmental Protection Agency.

6.3.3 All requests for exemptions and equivalencies must be forwarded to the Commandant for approval. Such requests must include supporting information and a recommendation from ClassNK concerning approval. Upon approval by the Commandant, ClassNK may issue the appropriately annotated IAPP Certificate.

6.3.4 Supplemental requirements for this authorization, if any, are provided for in the Coast Guard approved U.S. Supplement to ClassNK class rules and shall be applied when performing any authorized function under the Alternate Compliance Program on behalf of the Coast Guard pertaining to the survey and certification of U.S. flagged vessels for the International Air Pollution Prevention Certificate.

7. ISM Code (Safety Management Certificate and Document of Compliance)

7.1 The following instruments apply:

- International Convention for the Safety of Life at Sea (SOLAS), 1974, as amended including applicable IMO resolutions adopted as guidelines
- International Management Code for the Safe Operation of Ships and for Pollution Prevention, 1994 Edition (ISM Code)
- Title 33, United States Code of Federal Regulations, Part 96

7.2 ClassNK is authorized to conduct review of applications for ISM Code certification. This authorization includes initial, periodical, and renewal verification for issuance of a Company Document of Compliance (DOC) Certificate and a vessel Safety Management Certificate (SMC). Furthermore, ClassNK is authorized to conduct additional verifications in the event that any non-conformities have been found during an initial, periodical, or renewal verification audit. ClassNK is also authorized to issue Interim Certificates within the guidelines established in the applicable instruments listed above. Safety Management Certificates and Document of Compliance certificates issued under the provisions of this authorization may be endorsed as being issued on behalf of the “United States of America.”

7.3 In addition to the conditions set forth in the Agreement and the requirements set forth in the applicable instruments, the following conditions will be adhered to in execution of this authorized function on behalf of the Coast Guard:

7.3.1 No extensions to meeting the requirements of the applicable instruments are allowed; including the extension of certificates issued for ISM Code compliance of U.S. flag vessels and their companies by ClassNK.

7.3.2 Class NK shall follow the published Coast Guard guidelines for the surveying of ships pursuant to issuance of a Company Document of Compliance (DOC) Certificate and a vessel Safety Management Certificate (SMC). These are contained in NVIC No. 5-99 Ch-1 “Guidance Regarding Voluntary Compliance with the International Management Code for the Safe Operation of Ships and for Pollution Prevention (International Safety Management (ISM) Code).”

7.3.3 Supplemental requirements for this authorization, if any, are provided for in the Coast Guard approved U.S. Supplement to ClassNK class rules and shall be applied when performing any authorized function under the Alternate Compliance Program

on behalf of the Coast Guard pertaining to the survey and certification of U.S. flagged vessels for the International Safety Management Certificates and Document of Compliance Certificates.

8. Document of Compliance for ships carrying dangerous goods under Safety of Life at Sea 1974, as amended, regulation II-2/19

8.1 The following instruments apply:

- International Convention for the Safety of Life at Sea (SOLAS), 1974, as amended
- Title 33, United States Code of Federal Regulations, Part 96

8.2 ClassNK is authorized to conduct plan review and approval, initial and subsequent surveys, and periodic re-inspections and examinations in order to issue and endorse the Document of Compliance (DOC) for ships carrying dangerous goods under SOLAS, regulation II-2/19. The Documents of Compliance issued under the provisions of this agreement may be endorsed as being issued on behalf of the “United States of America.”

8.3 In addition to the conditions set forth in the Agreement and the requirements set forth in the applicable instruments, the following conditions will be adhered to in execution of this authorized function on behalf of the Coast Guard:

8.3.1 All requests for exemptions and equivalencies must be forwarded to the Commandant for approval. Such requests must include supporting information and a recommendation from ClassNK concerning approval. Upon approval by the Commandant, ClassNK may issue the appropriately annotated Document of Compliance for ships carrying dangerous goods under SOLAS regulation II-2/19.

8.3.2 Supplemental requirements for this authorization, if any, are provided for in the Coast Guard approved U.S. Supplement to ClassNK class rules and shall be applied when performing any authorized function under the Alternate Compliance Program on behalf of the Coast Guard pertaining to the survey and certification of U.S. flagged vessels for the Document of Compliance for ships carrying dangerous goods under SOLAS regulation II-2/19.

9. International Anti-Fouling System (IAFS) Certificate

9.1 The following instrument applies:

- International Convention on the Control of Harmful Anti-Fouling Systems on Ships
- Title 46, United States Code of Federal Regulations, Part 8

9.2 ClassNK is authorized to conduct plan review and approval, initial and subsequent surveys, and periodic re-inspections and examinations in order to issue and endorse the

International Anti-Fouling System (IAFS) Certificate as provided in Annex 4, Regulation 3, International Convention of the Control of Harmful Anti-Fouling Systems on Ships, as may be amended, for U.S. flag vessels. IAFS certificates issued under the provisions of this agreement may be endorsed as being issued on behalf of the "United States of America."

9.3 In addition to the conditions set forth in the Agreement and the requirements set forth in the applicable instruments, the following conditions will be adhered to in execution of this authorized function on behalf of the Coast Guard:

9.3.1 All requests for exemptions and equivalencies must be forwarded to the Commandant for approval. Such requests must include supporting information and a recommendation from ClassNK concerning approval. Upon approval by the Commandant, ClassNK may issue the appropriately annotated International Anti-Fouling System (IAFS) Certificate.

9.3.2 Supplemental requirements for this authorization, if any, are provided for in the Coast Guard approved U.S. Supplement to ClassNK class rules and shall be applied when performing any authorized function under the Alternate Compliance Program on behalf of the Coast Guard pertaining to the survey and certification of U.S. flagged vessels for the International Anti-Fouling System (IAFS) Certificate.

10. International Certificate of Fitness for the Carriage of Dangerous Chemicals in Bulk (IBC Code)

10.1 The following instruments apply:

- The International Bulk Chemical Code (IBC Code) as incorporated by reference in the International Convention for the Safety of Life at Sea (SOLAS), 1974, as amended
- Title 46, United States Code of Federal Regulations, Part 8

10.2 Class NK is authorized to conduct plan review and approval, initial and subsequent surveys, and periodic re-inspections and examinations in order to issue and endorse the International Certificate of Fitness for the Carriage of Dangerous Chemicals in Bulk. The model form of the certificate should be followed, and it shall be endorsed as being issued "under the authority of the Government of the United States of America."

10.3 In addition to the conditions set forth in the Agreement and the requirements set forth in the applicable instruments, the following conditions will be adhered to in execution of this authorized function on behalf of the Coast Guard:

10.3.1 All requests for exemptions and equivalencies must be forwarded to the Commandant for approval. Such requests must include supporting information and a

recommendation from ClassNK concerning approval. Upon approval by the Commandant, Class NK may issue the appropriately annotated International Certificate of Fitness for the Carriage of Dangerous Chemicals in Bulk.

10.3.2 Supplemental requirements for this authorization, if any, are provided for in the Coast Guard approved U.S. Supplement to ClassNK class rules and shall be applied when performing any authorized function under the Alternate Compliance Program on behalf of the Coast Guard pertaining to the survey and certification of U.S. flagged vessels for the International Certificate of Fitness for the Carriage of Dangerous Chemicals in Bulk.

11. International Certificate of Fitness for the Carriage of Liquefied Gases in Bulk (IGC Code)

11.1 The following instruments apply:

- The International Code for the Construction and Equipment of Ships Carrying Liquefied Gases in Bulk (IGC Code) as incorporated by reference in the International Convention for the Safety of Life at Sea (SOLAS), 1974, as amended
- Title 46, United States Code of Federal Regulations, Part 8

11.2 Class NK is authorized to conduct plan review and approval, initial and subsequent surveys, and periodic re-inspections and examinations in order to issue and endorse the International Certificate of Fitness for the Carriage of Liquefied Gases in Bulk. The model form of the certificate should be followed, and it shall be endorsed as being issued "under the authority of the Government of the United States of America."

11.3 In addition to the conditions set forth in the Agreement and the requirements set forth in the applicable instruments, the following conditions will be adhered to in execution of this authorized function on behalf of the Coast Guard:

11.3.1 All requests for exemptions and equivalencies must be forwarded to the Commandant for approval. Such requests must include supporting information and a recommendation from ClassNK concerning approval. Upon approval by the Commandant, Class NK may issue the appropriately annotated International Certificate of Fitness for the Carriage of Liquefied Gases in Bulk.

11.3.2 Supplemental requirements for this authorization, if any, are provided for in the Coast Guard approved U.S. Supplement to ClassNK class rules and shall be applied when performing any authorized function under the Alternate Compliance Program on behalf of the Coast Guard pertaining to the survey and certification of

U.S. flagged vessels for the International Certificate of Fitness for the Carriage of Liquefied Gases in Bulk.

12. International Pollution Prevention Certificate for the Carriage of Noxious Liquid Substances in Bulk

12.1 The following instrument applies:

- International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 (MARPOL 73/78) relating thereto
- Title 46, United States Code of Federal Regulations, Part 8

12.2 Class NK is authorized to conduct plan review and approval, initial and subsequent surveys, and periodic re-inspections and examinations in order to issue and endorse the International Pollution Prevention Certificate for the Carriage of Noxious Liquid Substances in Bulk (NLS Certificate) as provided in Annex II, Regulation 9, MARPOL 73/78, as amended, for U.S. flag vessels. NLS Certificates issued under the provisions of this agreement may be endorsed as being issued on behalf of the "United States of America."

12.3 In addition to the conditions set forth in the Agreement and the requirements set forth in the applicable instruments, the following conditions will be adhered to in execution of this authorized function on behalf of the Coast Guard:

12.3.1 ClassNK may issue a NLS Certificate having a period of validity of not more than 60 months after ascertaining that the vessel meets the applicable requirements of Annex II, MARPOL 73/78.

12.3.2 All requests for exemptions, equivalencies, major conversion determinations, or alternatives, or other special considerations allowed at the discretion of the Flag Administration under MARPOL, Annex II, must be forwarded to the Commandant for approval. Such requests must include supporting information and a recommendation from Class NK concerning approval. Upon approval by the Commandant, Class NK may issue the appropriately annotated NLS Certificate.

12.3.3. Supplemental requirements for this authorization, if any, are provided for in the Coast Guard approved U.S. Supplement to ClassNK class rules and shall be applied when performing any authorized function under the Alternate Compliance Program on behalf of the Coast Guard pertaining to the survey and certification of U.S. flagged vessels for the International Pollution Prevention Certificate for the Carriage of Noxious Liquid Substances in Bulk.

12.3.4 Multiple NLS Certificates may not be issued to any vessel without the prior approval of the Commandant. A request for multiple NLS certificates must include

supporting information and a recommendation from Class NK concerning approval. Upon approval by the Commandant, Class NK may issue the appropriately annotated NLS Certificate.

12.3.5 ClassNK shall follow the published Coast Guard guidelines for the surveying of ships pursuant to issuance of a NLS Certificate. These are contained in Navigation and Vessel Inspection Circular (NVIC) No. 5-87, "Guidance on Implementation of Annex II of MARPOL Protocol of 73/78 for Vessels Carrying Noxious Liquid Substances (NLS) in Bulk;" and Volume II of the Coast Guard Marine Safety Manual. In determining whether a vessel requires an NLS Certificate, the term "noxious liquid substance" shall have the same meaning as defined in Regulation 1 of MARPOL Annex II. Vessels whose cargo carriage authority is restricted to products that do not meet the Annex II definition are not required to have a NLS Certificate, notwithstanding the fact that domestic legislation may define a product as a noxious liquid substance.

13. International Energy Efficiency Certificate (IEE)

13.1 The following instrument applies:

- International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 (MARPOL 73/78) relating thereto
- Title 46, United States Code of Federal Regulations, Part 8

13.2 Class NK is authorized to conduct plan review and approval, initial and subsequent surveys, and periodic re-inspections and examinations in order to issue and endorse the International Energy Efficiency Certificate (IEE) as provided in Annex VI, Regulations 5.4, 6 and 7, MARPOL 73/78, as amended, for U.S. flag vessels. IEE Certificates issued under the provisions of this agreement may be endorsed as being issued on behalf of the "United States of America."

13.3 In addition to the conditions set forth in the Agreement and the requirements set forth in the applicable instruments, the following conditions will be adhered to in execution of this authorized function on behalf of the Coast Guard:

13.3.1 All requests for exemptions and equivalencies must be forwarded to the Commandant for approval. Such requests must include supporting information and a recommendation from ClassNK concerning approval. Upon approval by the Commandant, Class NK may issue the appropriately annotated International Energy Efficiency Certificate.

13.3.2 Supplemental requirements for this authorization, if any, are provided for in the Coast Guard approved U.S. Supplement to ClassNK class rules and shall be

applied when performing any authorized function under the Alternate Compliance Program on behalf of the Coast Guard pertaining to the survey and certification of U.S. flagged vessels for the International Energy Efficiency Certificate.

14. Alternate Compliance Program

14.1 Class NK is authorized to conduct plan review and approval, initial and subsequent surveys, periodic re-inspections and examinations and to make reports to a cognizant Coast Guard Officer-in-Charge, Marine Inspection that a vessel enrolled in the Alternate Compliance Program complies with all applicable international treaties and agreements, the Class NK Rules, and applicable supplemental requirements contained in the Coast Guard approved U.S. Supplement to ClassNK class rules in anticipation of the initial or subsequent issuance or endorsement of a Certificate of Inspection.

14.2 The following instruments apply:

- International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 (MARPOL 73/78) relating thereto
- International Convention for the Safety of Life at Sea (SOLAS), 1974, as amended
- Applicable ClassNK Classification Society Rules
- International Management Code for the Safe Operation of Ships and for Pollution Prevention, 1994 Edition (ISM Code)
- ClassNK Approved US Supplement
- Title 46, United States Code of Federal Regulations, Part 8
- Title 33, United States Code of Federal Regulations, Part 96
- Navigation and Vessel Inspection Circular (NVIC) 2-95, as amended

14.3 ClassNK is authorized to conduct plan review and approval, initial and subsequent surveys, periodic re-inspections and examinations associated with the application of the instruments relevant to the following U.S. Flag vessels enrolled in the Alternate Compliance Program:

- Subchapter D (Tank Vessels)
- Subchapter I (Cargo and Miscellaneous Vessels)
- Subchapter O (Certain Bulk Dangerous Cargoes)

14.4 In addition to the conditions set forth in the Agreement and the requirements set forth in the applicable instruments, the following conditions will be adhered to in execution of this authorized function on behalf of the Coast Guard:

14.4.1 All requests for exemptions, waivers, equivalencies, or relaxations shall be forwarded to the U.S. Coast Guard for approval in accordance with Navigation and

Vessel Inspection Circular 2-95, Change 2, or subsequently updated policy guidance. Such requests must include supporting information and a recommendation from Class NK concerning approval.

14.4.2 ClassNK shall submit for approval by the Coast Guard proposed changes to any supplemental requirements to ClassNK rules that may affect any vessel inspection or certification activities by ClassNK under this Agreement.

14.4.3 "Supplemental Requirements," as contained in the Coast Guard approved U.S. Supplement to ClassNK rules shall include all requirements applicable for the issuance of a Certificate of Inspection, which are not, in the opinion of the Commandant, adequately established by either ClassNK rules or applicable international conventions.

14.4.4 Class NK shall, in addition to the requirements of class rules and applicable conventions, apply the supplemental requirements contained in the Coast Guard approved U.S. Supplement when performing any authorized function on behalf of the Coast Guard pertaining to the survey and certification of U.S. flagged vessels enrolled in the Alternate Compliance Program.

This Annex to the Agreement between the United States Coast Guard and Nippon Kaiji Kyokai becomes effective as provided in the Agreement.

For the United States Coast Guard

For Nippon Kaiji Kyokai (ClassNK)

 on March 9th, 2016

 on March 9, 2016

PAUL F. THOMAS

STEWART S. LEE

Rear Admiral, U.S. Coast Guard

Regional Manager of North and Central America

Assistant Commandant for Prevention Policy

Nippon Kaiji Kyokai (ClassNK)