

ENCLOSURE (1)

MARITIME SECURITY PROGRAM (MSP) FUNDAMENTALS

1.1. BACKGROUND

Title VI of the Merchant Marine Act of 1936 was amended by passage of the Maritime Security Act of 1996, which authorized the establishment of a Maritime Security Fleet under the Maritime Security Program (MSP). This Act was later amended by legislation contained in the National Defense Authorization Act for 2004, Section 3531 of Public Law 108-136. For the purpose of this NVIC, the current applicable law is contained in Title 46 United States Code (USC) section 53102. The U.S. Maritime Administration (MARAD) Office of Sealift Support is the lead governmental office for general matters related to the administration of MSP. MARAD in coordination with the Department of Defense established a program whereby certain categories of militarily useful U.S. commercial vessels may be designated for emergency service to carry military cargo in time of war, national emergency or military contingency. Vessels enrolled in MSP may receive a payment as part of their enrollment; however other vessels may enroll in voluntary sealift support programs established by MARAD and utilize the process outlined in this guidance to obtain a Coast Guard Certificate of Inspection (COI) provided they otherwise meet MSP enrollment criteria. MARAD in consultation with the Department of Defense (DOD) determines if individual vessels have military utility for the purpose of MSP eligibility.

1.2. ELIGIBILITY

Use of the procedures in this NVIC for initial reflag and certification of an existing foreign flag vessel is contingent upon being found eligible for MSP by MARAD's Office of Sealift Support. The process for MSP application to MARAD is noted in the paragraphs below. MSP vessels provide sealift ship capacity that supplements government owned vessels and/or vessels contracted to the Military Sealift Command, MARAD, or other government agencies. MSP eligible vessels, which subsequent to initial certification are determined by MARAD to no longer be MSP eligible, for any reason, will not be eligible to retain Coast Guard certification using the MSP standards. These vessels may retain certification by enrolling in the Alternate Compliance Program (ACP) and seek continued certification under ACP. MSP vessels are not and will not become, even upon activation for use in military sealift support operation, public vessels as defined by 46 USC 2101 (24). MSP vessels must be U.S. documented vessels, subject to inspection and certification by the Coast Guard, and also subject to all applicable international conventions. Foreign vessels reflagged to enter MSP may not be more than 15 years old at the time of acceptance by MARAD; oil tankers may not be more than 10 years old.

1.3. FOREIGN VESSEL REFLAG

MSP law requires that qualified foreign flag vessels become U.S. flag in order to participate in MSP. To streamline reflagging and initial certification by the U.S. Coast Guard, MSP law allows qualified foreign vessels to receive an initial certificate of inspection from the U.S. Coast Guard if they comply with the rules of the ABS, or another U.S. recognized class society, and also the applicable international conventions as interpreted by their previous flag administration. Unlike ACP, there are no U.S. specific supplemental requirements applied to MSP reflags. By agreement between the U.S. Coast Guard and MARAD, foreign tankers involved in the MSP reflag process must also provide proof that they have a current foreign tank ship Certificate of Compliance (COC) from the U.S. Coast Guard (or can pass that examination as part of the reflagging). MSP tankers must therefore comply with all requirements that would be imposed on a foreign tanker calling on a U.S. Port.

1.4. EXISTING US FLAG VESSELS ENROLLING IN MSP

Vessels that are currently certificated under U.S. flag at the time of their enrollment in MSP may not use the standards applied to foreign vessels seeking initial certification as outlined in MSP law. Existing U.S. vessels will continue to be certificated in accordance with the requirements of applicable U.S. regulations even after enrollment in MSP.

1.5. INITIAL CONTACT AND DETERMINATION OF ELIGIBILITY

Owners of militarily useful vessels who desire to reflag under MSP should contact the Office of Sealift Support (MAR-630), U.S. Department of Transportation, Maritime Administration, West Building 1200 New Jersey Avenue, SE Washington, DC 20590, to request enrollment in MSP or a sealift program (e.g. VISA) that MARAD and the U.S. Coast Guard have determined as being equivalent to MSP for the purpose of making the vessel available for emergency sealift service. MARAD will work with the Department of Defense to determine if the vessel requesting enrollment meets the design and operational requirements for participation in a sealift support program.

If MARAD determines that the vessel meets the basic criteria for enrollment, they will notify the U.S. Coast Guard, Commandant (CG-5431) of the name, official number, owner, type of vessel and any other relevant information for a foreign flag vessel being considered for selection. The U.S. Coast Guard will then conduct a review of the vessel's safety and environmental compliance history during its previous service and provide MARAD with a recommendation for or against enrollment of the vessel.

The U.S. Coast Guard generally will not recommend any vessel whose class society or flag administration has inadequately enforced class rules or international regulations on that particular vessel. If the ship is currently registered with a flag administration or class society targeted by the U.S. Coast Guard under the Port State Control (PSC) Program for having a substandard safety record, provided the vessel itself does not have a history of

noncompliance, this alone may not be grounds for disqualification from enrollment in MSP. A list of targeted flags and class societies under the PSC program can be obtained from the U.S. Coast Guard Homeport Webpage by searching “Targeted.”

After receipt of the U.S. Coast Guard recommendation and DOD determination of military utility, MARAD will notify the vessel owner if the vessel may participate in the program. If later, during the initial inspection of the vessel, it is found in substandard condition (i.e. it has excessive or significant deficiencies) the U.S. Coast Guard may withdraw its original recommendation in accordance with Section 3.1.5 of Enclosure (2).

1.6. APPLICATION FOR INSPECTION

Once MARAD and the U.S. Coast Guard agree that the vessel may be accepted in the program, the vessel owner/operator will be advised to make an Application for Inspection to the OCMI in whose zone the reflag inspection will be conducted. The Marine Safety Center and the OCMI shall not commence plan review or inspection until the vessel is formally accepted into MSP by MARAD, or MARAD has indicated that the application is in process and that enrollment is recommended (either are preferred in writing). To commence the inspection process, the owner must submit an Application for Inspection (Form CG-3752) to the OCMI in whose zone the ship will undergo inspection for initial certification. If the location of the inspection has not been determined by the owner at the time of acceptance into the program by MARAD, the owner may make application to Commandant (CG-5431) who will hold the application for forwarding to the appropriate OCMI. This will allow owners to commence their plan submittals to the MSC pending selection of a specific location for the inspection.

1.7. STANDARDS FOR REFLAG UNDER MSP AND OTHER VOLUNTARY SEALIFT SUPPORT PROGRAMS

The Coast Guard may accept previously conducted class society surveys and previously issued international certificates as evidence of compliance with class rules and international regulations for vessel equipment and systems, provided the following conditions are met:

1. The vessel is classed by and designed in accordance with the rules of the ABS or another classification society recognized and authorized by the Coast Guard;
2. The vessel complies with applicable international agreements and associated guidelines, as determined by the country in which the vessel was documented, immediately before becoming a U.S. documented vessel;
3. The country under which the vessel is currently flagged has not been identified by the Coast Guard as inadequately enforcing international vessel regulations on the vessel making application for certification;
4. The class society under which the vessel is classed has not been identified by the Coast Guard as inadequately enforcing international vessel regulations on the vessel making application for certification; and

5. The ship is 15 years of age or less on the date the vessel is accepted in MSP, except that tankers may not exceed 10 years of age on the date of enrollment in MSP. (The maximum age may be waived by the Secretary of Defense for national defense or military purposes in time of war or national emergency).

DRAFT

ENCLOSURE (2)

GUIDANCE FOR INITIAL CERTIFICATION OF MSP VESSELS (MSP REFLAG)

After the vessel has been accepted by MARAD and has submitted an application for inspection, the U.S. Coast Guard will verify compliance with MSP law. This enclosure provides process guidelines for issuance of an initial COI and international certificates for a foreign flag vessel entering MSP or a voluntary sealift support program.

1.1. PLAN REVIEW TO VERIFY STANDARDS COMPLIANCE

The vessel owner should submit the items below to the Commanding Officer, U.S. Coast Guard Marine Safety Center (MSC) for review in order to verify compliance with international conventions and the rules of a U.S. Coast Guard ACS. As noted previously, the MSC and the OCMI should not commence plan review or inspection until the vessel is formally accepted into MSP by MARAD, or MARAD has indicated that the application is in process and that enrollment is recommended (either are preferred in writing).

1.1.1. AUTHORIZED CLASSIFICATION SOCIETY REQUIRED

Where the vessel has been classed and designed in accordance with rules other than a U.S. Coast Guard ACS (46 CFR 8.100), the vessel must be transferred to the class of a U.S. Coast Guard ACS and accepted as being in class under the rules of that organization prior to reflagging.

1.1.2. IDENTIFICATION OF ALL EQUIVALENCIES OR EXCEPTIONS

The vessel owner, previous flag State, and/or classification society should identify all areas and items where equivalence or exemptions have been previously granted to any applicable international convention or to the design rules of ABS or other Coast Guard recognized classification society.

1.1.3. PLANS TO BE SUBMITTED

Along with the identification of all equivalencies or exceptions, the following plans and information should be submitted to the MSC. The information contained therein is for reference to assist with the verification of information submitted as required by Section 1.1.4 of this Enclosure. Also, this information enables coordinated emergency response should the need arise.

1. General arrangement and capacity plans.
2. Structural fire protection division rating plans (Method I construction, MSC will oversight fire boundary ratings and ventilation details, i.e., penetrations by the ventilation system of fire rated divisions).

3. Fire and smoke detection system plans (to verify placement and overall system design).
4. Fixed fire extinguishing system plans (a minimum 20-second time delay for releases into manned spaces shall be required even though this is not specified in SOLAS).
5. Bilge and ballast piping diagram(s).
6. Automation system plans including a qualitative failure analysis for vital systems (i.e. power management system, propulsion control system, dynamic positioning system, centralized machinery monitoring and control system, etc.), or a letter from the classification society stating that the systems are designed to meet the failsafe requirements of SOLAS.
7. Stability test report including stability test data and lightship properties.
8. Particulars of damage stability compliance, including criteria used and summary of results of survival calculations, probability factor calculations, drafts used.
9. Lines plan including all buoyant appendages.
10. Damage control plan
11. Approved cargo loading manual, if not included with Trim and Stability Booklet
12. Midship section and hull girder section modulus calculation.

Further, the vessel operator is responsible for submitting the following plans to the U.S. Coast Guard, Vessel Response Plan Program and MSC as appropriate, for review and approval prior to the initial inspection:

1. Shipboard Oil Pollution Emergency Plan (SOPEP) / Shipboard Marine Pollution Emergency Plan (SMPEP)
2. Vessel Response Plan (VRP) / Non-Tank Vessel Response Plan (NTVRP)
3. Vessel Security Plan (including SSAS & Piracy Annexes)

1.1.4. PLANS TO BE SUBMITTED FOR VERIFICATION OF CLASS APPROVAL

The following information/plans and classification society approval letters should also be submitted. Generally these items will be examined only to verify the approval action of the classification society and will not undergo MSC design review or OCMI inspection unless problems or unusual items are noted.

1. Trim and Stability booklet, as approved.
2. Letter from the flag State or their authorized class society indicating the vessel meets applicable SOLAS 74, as amended, damage stability requirements.
3. Letter from flag State or their authorized class society indicating the level of review and approval of the following items, with all areas requiring special attention and inspection noted:
 - A. Structures
 - i. Midship Section

- ii. Scantling Profile
- iii. Strength Deck Structural Plan
- iv. Shell Plating and Framing
- v. Typical Watertight Bulkhead
- B. Fire main systems
- C. Bilge systems
- D. Steering gear and steering gear alarm systems

1.2. DOCUMENTATION TO BE SUBMITTED TO THE OCM I FOR REVIEW PRIOR TO INITIAL INSPECTION

In order to facilitate the onboard vessel inspection, the owner/operator is requested to submit the following items for OCM I review, no less than **30** days in advance of the requested date of attendance. This list should not be interpreted as being all inclusive and in no way limits the OCM I from requesting supporting documentation.

1. MARAD Office of Sealift Support determination of eligibility.
2. MSC MSP plan review documentation and comments.
3. Contact information for the representatives attending on behalf of class and/or the previous flag administration.
4. Contact information for the representatives attending on behalf of the recognized organization issuing the Safety Management Certificate.
5. Contact information for the representatives who will be conducting the survey of radio equipment on behalf of the U.S. Federal Communications Commission.
6. Reports of Port State Control (international) attendances.
7. The following regulatory and statutory documentation issued by the current class/flag administration:
 - A. Classification Document
 - B. Current Registry Certificate
 - C. SOLAS Safety Construction Certificate (SLC)
 - D. SOLAS Safety Equipment Certificate (SLE) and Form E
 - E. SOLAS Safety Radio Certificate (SLR) and Form R
 - F. International Load Line Certificate
 - G. International Oil Pollution Prevention Certificate and Form A/B (as applicable)
 - H. International Air Pollution Prevention Certificate and Supplement
 - I. International Safety Management Certificate (SMC)
 - J. ISM Document of Compliance
 - K. Cargo Gear Certificate
 - L. Document of Compliance for the Carriage of Dangerous Goods
 - M. Continuous Synopsis Record (all previous)
 - N. Copies of any exemption certificates relating for SOLAS/MARPOL
 - O. International Tonnage Certificate
 - P. Minimum Safe Manning Certificate
 - Q. International Ship Security Certificate (ISSC)

- R. Certificate of Fitness (as applicable)
- 8. Class record of Approved safety equipment.
- 9. Boiler and pressure vessel nameplate data.
- 10. Proof of payment of User Fees and Overseas Inspection fees (as applicable).
- 11. Manning proposal

2.1. EXPECTATIONS AND PREPARATION FOR INITIAL INSPECTION

The issuance of the initial Certificate of Inspection (COI) can be made provided that the following actions are satisfactorily completed.

1. A vessel inspection by the cognizant OCMI is conducted with a surveyor from the vessel's class society, or an official of the previous flag administration, in attendance. This individual should be available to explain all previous flag administration interpretations of SOLAS, MARPOL, and ILLC should those questions arise. The conduct of the inspection (Section 2.1.1), deficiencies and expanded examinations (Section 2.1.5), and the need for a drydocking/internal structural inspection (Section 2.3) are described in this Enclosure.
2. Provisions are made to the OCMI by the vessel owner to access the last annual survey report of the classification society, the list of outstanding class recommendations and statutory requirements, and the latest drydock survey report (including the most recent gauging report).
3. Provisions are made to the MSC and the cognizant OCMI of a report of vessel systems, equipment, or other items that meet a standard different from the U.S. statutory requirements for a vessel of similar size and service (e.g. pressure vessels that are not ASME stamped and lifejackets that are not Coast Guard Approved). The vessel's owner/operator is responsible for preparing and submitting this report, known as the "gap analysis." The "gap analysis" is designed to assist inspectors in the identification and documentation of items in the vessel inspection records that meet international, class, or previous flag administration interpretations of standards but not U.S. standards. This gap analysis should also be updated based on modifications and replacements made prior to the reflag in accordance with Enclosure (3) section 1.4. Documenting these items should help avoid confusion on what was accepted at the initial inspection and duplication of this effort at subsequent inspections. It will also eliminate the need for the owner to continue providing a representative of the previous flag administration at future inspections. Gapped areas do not necessarily require rectification at the time of reflagging if the item is in compliance with the standards of the previous flag administration at the time of reflagging.

2.2. RESPONSIBILITIES OF THE MARINE INSPECTOR (MI)

Owners/operators should anticipate the initial inspection will take a minimum of three (3) days to complete. The initial inspection shall be of a scope consistent with a traditional inspection for certification COI, and an initial MTSA/ISPS verification, in addition to the requirements unique to MSP re-flagging. Early communication with vessel representatives is key for a successful initial inspection for certification. The attending MI should engage with vessel representatives as soon as possible to discuss the format and conditions under which the inspection will be conducted. For example, that no cargo ops should be conducted during the initial inspection, that a lifeboat and rescue boat launching exercise should be planned, and that all fire hoses should be prepared for pressure testing should be discussed. It's important to discuss the company's plan for getting their U.S. crew onboard. A significant responsibility of the MI during the initial inspection is to determine the crew's familiarity with the vessel. Familiarity with the vessel shouldn't come during the initial inspection. The company should make arrangements in advance of the reflagging to provide adequate vessel familiarization for the crew (i.e. riding the vessel to observe operations, etc.). The MI should monitor the company's progress toward submittal and approval of items such as Vessel Security Plan (VSP), Shipboard Oil Pollution Emergency Plan (SOPEP), Engine Room Automation Test Procedures, etc. The MI should obtain a copy of the "gap analysis" as soon as it is available in order to begin preparing for the inspection. As a courtesy, the MI should consider forwarding a copy of the "gap analysis" to the class surveyor who will attend during the initial inspection. It is also advantageous for the MI to begin a dialog with MSC in order to monitor the plan review process. The plan approval process should be complete before the MI commences physical inspection of the vessel.

The OCMI is responsible for issuance of the vessel's COI and International Ships Security Certificate (ISSC). Additionally, the attending MI should be prepared to present a new Oil Record Book, Official Log Book, and Continuous Synopsis Record at the time of COI issuance. SOLAS, MARPOL, ILLC, ITC, and other certificates required by international regulations will be issued by the classification society for all areas where they are authorized on behalf of the U.S. The MI should be familiar with the most recent "Status of Classification Society Recognition, ACP Participation, and Authorizations Delegated by the "USCG," which can be found on the following web page:

<http://www.uscg.mil/hq/cg5/acp/>

2.3. RESPONSIBILITIES OF THE VESSEL OPERATOR

Prior to the initial inspection, the vessel operator should have engaged the U.S. Coast Guard National Vessel Documentation Center (NVDC) for preparation of the vessel's Certificate of Documentation (COD). The NVDC will deliver the prepared COD to the MI scheduled to conduct the initial inspection. The MI will hand carry the COD to the ship during the initial inspection. The company is required to forward a foreign registry deletion certificate and proof of ownership to the NVDC following the issuance of the vessel's COD.

The vessel operator is responsible for coordinating the final Continuous Synopsis Record (CSR), which will reflect the date on which the ship ceased to be registered with the previous flag administration. Additionally, prior to the initial inspection, the vessel company should have engaged the U.S. Coast Guard CSR Desk for preparation of the vessel's new CSR. The new CSR reflecting the changes resulting from reflag, as required by 74 SOLAS (2004 Cons.) XI-1, should be provided onboard before the completion of the initial inspection. 74 SOLAS (2004 Cons.) XI-1/4.2 does not provide a grace period for the issuance of a new CSR resulting from a reflag.

The reflag includes the opportunity for the U.S. Coast Guard to assess the proficiency of U.S. crew in the operation of onboard systems, including but not limited to; lifesaving, firefighting, machinery, navigation, cargo systems, etc. Further, the reflag is also focused on the crew's familiarity with onboard contingency plans which may be referenced in an emergency (e.g. Vessel Security Plan, SOPEP, Non-tank Vessel Response Plan, etc.). Provisions shall be made to provide an opportunity for crew familiarization prior to conducting the initial inspection for Certification (COI).

2.4. RESPONSIBILITIES OF THE PREVIOUS FLAG ADMINISTRATION OR DESIGNEE (CLASS)

A representative from the previous flag administration or a designee (in writing) from class should be available both prior to and during the re-flagging to provide explanations regarding previous interpretations of rules and regulations. Further, the designated representative should advise if the current statutory certificates will be annotated or if new certificates will be issued.

3.1. CARRYING OUT THE INITIAL INSPECTION/CERTIFICATION

3.1.1. CONDUCT OF THE INSPECTION

The initial inspection should be sufficiently detailed to verify full compliance with international regulations. As previously discussed, because MSP law allows participation by a vessel in compliance with international conventions in accordance with the previous flag administration's guidelines, U.S. Coast Guard inspectors must have access to these guidelines. Owners will ensure that a class society representative authorized by the previous flag administration or a flag administration representative be in attendance throughout the reflag inspection. U.S. Coast Guard MIs should consult with this individual in all areas requiring guidance as to the specific application of a particular international regulation by that administration. The "gap analysis" should also address these areas and provide references. During the inspection the owner/operator should prepare and make available the following plans and documents for the MI to review in English:

1. Vessel Response Plan / Non-Tank Vessel Response Plan (as appropriate)
2. SOPEP / SMPEP (as appropriate)
3. Trim and Stability Booklet/Letter or Declaration

4. Damage Stability Information
5. Cargo Securing Manual
6. Oil Transfer Procedures
7. Fire Control Plans
8. Station Bill
9. Garbage Management Plan
10. Ballast Water Management Plan
11. GMDSS Log Book
12. Deck/Engine Log Books
13. SOLAS Training Manual
14. Firefighting Training Manual
15. Operations and Maintenance Manuals for Lifesaving Equipment
16. Annual servicing reports for lifesaving (e.g. MSC1206 for all survival craft, Launching appliances, liferaft servicing reports) and firefighting equipment (e.g. portable fire extinguishers, LPCO2 system, HPCO2 system)
17. Drug and Alcohol Program/Employee Assistance Program
18. Vessel Security Plan
19. Annual Performance Testing Report for the Voyage Data Recorder
20. Procedures and Arrangements Manual (P&A) (as appropriate for tank vessels)
21. IGS and COW Manuals (as appropriate for tank vessels)
22. Crew documentation: All USCG issued Merchant Mariner Licenses, Merchant Mariner Documents, STCW 95 Endorsements, Consolidated Merchant Mariner Credentials, TWIC, FCC GMDSS Licenses, Medical and Drug free certificates
23. Crew List
24. A copy of the Vessel Particulars
25. Agreement for shore based maintenance of GMDSS

3.1.2. VERIFICATION OF EQUIPMENT

During initial certification of a MSP vessel, the U.S. Coast Guard accepts foreign non-USCG Approved equipment and systems that comply with the international conventions in accordance with the previous flag administrations guidelines. Acceptance of non-USCG Approved equipment and systems is not automatically granted but normally follows the plan review process at MSC. As a condition of approval, MSC may request that the OCMI verify specific systems and/or arrangements at the time of the initial inspection. The attending inspector should verify that all current structures, equipment, or systems on the vessel are in agreement with the plans reviewed by the MSC or approved by the classification society and previous flag State.

Prior to the conclusion of the initial inspection the MI should verify that the following items (at a minimum) have been updated to reflect the change in flag:

1. EPIRB
2. VDR (S-VDR)

3. AIS
4. LRIT (new USCG Conformance Test Report)
5. New markings for lifesaving equipment
6. New hull markings
7. Permanently marked O.N.
8. New GMDSS Markings
9. Bunk cards, station bill, muster list, and watch keeping schedule
10. New statutory certificates (SLC, SLE, SLR, ILLC, ITC, IOPP, IAPP, SMC, DOC-Copy)

3.1.3. DOCUMENTING EQUIPMENT VARIANCES

Because a vessel certificated under MSP enters U.S. flag with equipment and arrangements approved by international conventions, class rules, and approvals granted by previous administrations, it becomes imperative that the vessel's arrangement and equipment at the time of the initial inspection be clearly identified and adequately documented when and if it differs from a conventional U.S. flagged vessel. Ideally, identifying and documenting these differences is done in the "gap analysis." However, if the gap analysis fails to address a particular area, it becomes imperative that the MI document such differences. As is normal practice for initial inspections for certification, the MI should ensure that identifying data pertinent to lifesaving equipment (serial numbers, make and model information, capacities), firefighting equipment, etc are documented in the vessel's MISLE records. The "gap analysis" and any additional differences discovered during the initial inspection must also be sufficiently documented in MISLE.

3.1.4. DRILLS

Satisfactory fire and abandon ship drills are required to be performed in the presence of a MI. These drills should verify the proper operation of lifesaving and firefighting equipment as well as the crew's familiarity with its proper use. The drills shall be conducted after a U.S. crew has been placed onboard, but prior to the issuance of the COI. Further, prior to the issuance of an initial ISSC, a satisfactory security drill should be carried out which demonstrates the crew's familiarity with the vessel's physical characteristics and the provisions set forth by the USCG Approved Vessel Security Plan.

3.1.5. DEFICIENCIES AND EXPANDED EXAMINATIONS

As mentioned in Section 1.7 of Enclosure (1) of this NVIC, the U.S. Coast Guard may accept under certain conditions, class society surveys and certificates as evidence of compliance with class rules and international regulations for vessel equipment and systems. During the initial inspection for certification, a sufficient amount of detail should be exercised by the MI to ensure vessel equipment and systems meet the appropriate standard. Any area suspected to be deficient, as a result of Coast Guard inspection, shall be subjected to an expanded level of inspection for the given area of concern. For areas where the recognized class society does not possess a U.S.

authorization to issue a particular international certificate, and thus, the U.S. Coast Guard will issue the certificate, a sufficiently detailed inspection must be completed for this area (with the exception of the ISM Code Safety Management Certificate, which must be issued by an authorized class society). Vessels that are reflagging from a targeted flag State or from a targeted class society are also to be subject to detailed inspection at the time of reflagging. The Coast Guard may request additional tests, thickness gauging, internal examinations, ISM Code audits or other tests and inspections, as determined necessary, based on the results of the initial inspection. Owners/operators who dispute the necessity of the additional inspections may appeal the decision of the OCMI in accordance with 46 CFR 1.03.

If, based on the results of the initial inspection by the OCMI, there is sufficient evidence to show that the country under which the vessel is currently flagged has inadequately enforced international regulations on the vessel making application for certification and the vessel is substantially non-compliant with applicable standards, the COI should be withheld and Commandant (CG-5431) notified. OCMI's are strongly encouraged to call upon the assistance of the Traveling Inspectors (CG-54-TI) when this is the case. Commandant (CG-5431) will notify MARAD whenever it appears that a MSP vessel is not currently acceptable to receive a COI. Commandant and MARAD will then consult as to whether the vessel should be allowed to take corrective action in order to complete the certification process for entry into MSP, or whether the vessel should be excluded from MSP participation.

3.2. VESSEL MANNING

The manning required for a vessel is determined by the cognizant OCMI using requirements contained in U.S. law, the CFRs, and established Coast Guard policy. Although MSP does not require that the vessel's equipment or construction be modified to meet U.S. regulatory standards, manning requirements of the previous flag administration in compliance with 1974 SOLAS (2004 Cons.) V/14 may NOT be accepted by the U.S. Coast Guard. Manning and watchkeeping must be in accordance with U.S. law, regulations, and policy. The MI should discuss manning proposals and expectations with the vessel operator and compare proposed manning levels with U.S. vessels of a similar design engaged in similar operations and routes.

If the vessel owner/operator requests a reduced level of manning as a result of engine room automation, the automation system and test procedures shall be in accordance with U.S. regulations, 46 CFR Part 62, and U.S. Coast Guard vessel inspection policy, in Marine Safety Manual Vol. II.B.1. In some cases, this may require an addition or modification to certain systems. Past experience has shown that the requirements contained within 46 CFR Part 62, specifically related to the dead man alarm, certain bilge and fire pump controls, alarms, and pressure monitoring devices differ from most common ACS unattended machinery space requirements. Additionally, automation test procedures will be reviewed by the MSC and will be subject to onboard verification by the cognizant OCMI. Specific information regarding U.S. Coast Guard manning level

requirements may be found in the Marine Safety Manual, Volume III, Chapter 25 which provides that:

“The final manning requirements shall be established based upon satisfactory results of:

- (1) A complete plan review of the equipment, and the monitoring safety and labor saving devices installed,
- (2) A period of proven operation and reliability following the initial testing and de-bugging,
- (3) A period of Coast Guard onboard observation, and
- (4) For unattended machinery operation, an acceptable plant maintenance program which insures the continued quality of the demonstrated plant reliability.”

The period of proven operation and reliability referred to above is normally 3,000 hours, however, the time may be reduced at the discretion of the OCMI in the case of an existing vessel especially with at least 2 years of operation, if evidence of continuous reliable operation and maintenance is provided. Prior to the conclusion of this trial period and onboard verification by the Coast Guard, reduced manning levels are not permitted.

The approval to operate minimally attended or periodically unattended machinery spaces is subject to the requirements of 46 CFR Part 62. Authorization shall be so stated on the COI as mandated by Annex 3 of IMO Resolution A.890(21), as amended.

3.3. DRYDOCKING/INTERNAL STRUCTURAL EXAMINATION

A separate drydock examination and comprehensive internal structural examination (including entry and examination of ballast tanks, and double bottoms) is not required to be held in conjunction with the initial COI unless there are deficiencies which require drydocking to correct. OCMI's may elect to conduct internal examinations, especially in way of high stress or high corrosion areas as a spot check to detect the existence of any hazardous hull condition that could cause the vessel to be considered unfit for the service or voyage intended.

Unless a credit drydocking is conducted in conjunction with the reflagging, the drydock date will be established and continue in accordance with the schedule previously established by the flag State/classification society. Non-credit drydockings are sometimes done as part of a transfer of ownership that occurs just prior to the reflagging of the vessel. If such a drydock and/or internal examination occurs while the vessel is pending final approval for enrollment in MSP, owners should ensure that the U.S. Coast Guard is requested to attend to conduct oversight of the examination by the ACS, even if the actual reflag inspection occurs at a later date. The scope of the hull examination shall be in accordance with the guidelines established by the previous flag State and classification society. A minimum of 14 days notice shall be provided to the U.S. Coast Guard office in whose area the drydocking will be performed, so that attendance for

oversight can be scheduled. For drydocking performed outside of the U.S., 30 day advance notice is requested.

3.4. UNDERWATER SURVEY IN LIEU OF DRYDOCKING (UWILD)

OCMIs should require all MSP reflagged vessels that wish to enroll, or continue participation in this optional program, to complete the requirements for entry into the UWILD program in NVIC 1-89 (Underwater Survey Guidance) at the next out of water drydocking. This includes any unscheduled drydockings due to a casualty, maintenance availability or other reason. The vessel need not be dry-docked for the express purpose of completing those requirements.

A drydocking is not required at the time of reflagging. If the next scheduled underwater examination of the hull is the intermediate exam, and it would normally have been performed as a UWILD exam under the rules of the recognized class society, that exam may be completed without drydocking if it complies with class rules/procedures and includes a complete internal structural examination (ISE). The Coast Guard must attend for oversight and should be provided with adequate notice as previously outlined. Regardless of whether the outfitting requirements have been completed for hull markings for NVIC 1-89, all vessels undergoing a UWILD shall complete it in accordance with all remaining provisions of NVIC 1-89.

Two potential scenarios for MSP vessels enrolling in UWILD are as follows:

New MSP reflaggings due for Intermediate drydocking survey. The vessel will be permitted to complete the UWILD under their ACS rules with a MI in attendance; however, in order to continue to participate in the program, all the outfitting requirements listed in NVIC 1-89 must be completed during the next out of water drydocking. A Special Note will be entered in the MISLE vessel file that the requirements of NVIC 1-89 are to be completed at the next out of water drydocking.

Previously reflagged vessels due for drydocking for Special Survey. If the vessel is to continue participation in the UWILD program, all the elements listed in NVIC 1-89, must be completed during that drydocking.

3.5. POLLUTION PREVENTION

The vessel shall comply with all U.S. regulations and international pollution prevention requirements that would be applicable to a foreign vessel calling a U.S. port, including those required by the Oil Pollution Act of 1990 (OPA 90). Tankships reflagged under this program should provide a copy of a currently valid Coast Guard Certificate of Compliance (COC) when making initial application. Vessels that do not have a currently valid COC will undergo that examination as part of the initial reflag inspection. For vessels that have a valid COC, a spot check for continued compliance shall be conducted.

(Information on Foreign Tank Vessel Examinations is contained in the Coast Guard NVIC 06-03 CH-2.)

3.6. ISSUANCE OF CERTIFICATES UPON SATISFACTORY INITIAL EXAMINATION

3.6.1. CERTIFICATE OF INSPECTION

Upon satisfactory completion of the initial inspection, the vessel will be issued a Certificate of Inspection (COI) for the route and service specified on its existing statutory certificates. At the owner/operator's request, the COI will be issued with dates to harmonize with classification society certificate dates and not to exceed 5 years. As previously noted, manning shall be in accordance with U.S. law, regulations and policy noted in this NVIC. The OCMI shall place the following endorsement on the Certificate of Inspection and as a Special Note in the U.S. Coast Guard Marine Information for Safety and Law Enforcement (MISLE) database:

"This vessel is certificated under the provisions of the Maritime Security Program (MSP) and is inspected and certificated solely in accordance with the requirements of class rules and international convention requirements as applicable. [Insert the following sentence if the vessel is a Tanker: Tankers must also comply with the requirements for a foreign tank ship Certificate of Compliance (COC)]. This vessel was issued its initial Certificate of Inspection in accordance with MSP on DD MMM YY." (Insert date inspection is complete).

3.6.2. INTERNATIONAL CONVENTION CERTIFICATES

SOLAS, MARPOL, ILLC, and ITC certificates and other certificates required by international regulations will be issued by the ACS for all areas where they are authorized to issue that certificate on behalf of the U.S.. This includes specific authorizations granted under 46 CFR Part 8, or other existing authorizations. Where the class society lacks an authorization, the U.S. Coast Guard will issue the certificate.

3.6.3. DOCUMENTATION OF DIFFERENCES BETWEEN PREVIOUSLY ACCEPTED SYSTEMS OR EQUIPMENT AND COAST GUARD REQUIREMENTS.

OCMIs should document and record in MISLE any areas where the previous flag administration or class society accepted a system or equipment that differs either from the U.S. Coast Guard's statutory requirements, or its enforcement of international regulations. In cases in which certificates are issued by an ACS, the ACS should document all areas in which the vessel under consideration does not comply with the applicable U.S. ACP Supplement to class rules and provide a copy of this documentation to the OCMI for entry into MISLE.

3.6.4. ISM CODE CERTIFICATES

The ISM Code certificates for the U.S. must be issued by an ACS. The U.S. Coast Guard's regulations do not require that the ISM Code certificates be issued by the ACS that classes the vessel. In no case will the U.S. Coast Guard issue an ISM Code certificate to an MSP vessel. The ISM Code requires both a Document of Compliance (DOC) for the Company and the Safety Management Certificate (SMC) for the Vessel be issued.

Monitoring compliance with the ISM Code will be done during annual examinations because it is integral to nearly every other aspect of overall regulatory compliance. However, nothing in this NVIC shall be construed as limiting the U.S. Coast Guard MI from making such tests or inspections as is deemed necessary to be assured of the seaworthiness of the vessel. A well implemented and functioning safety management system is a good indicator of compliance with safety and environmental protection requirements. ACS surveyors and MIs conducting inspections to verify compliance with Class and Statutory requirements shall notify the cognizant OCMI and the issuer of the vessel SMC of any significant material deficiency that might affect the validity of the SMC.

3.6.5. INTERNATIONAL SHIP SECURITY CERTIFICATES (ISSC)

The U.S. Coast Guard does not delegate the authority to issue ISSCs to U.S. flagged vessels to any other organization; therefore, the U.S. Coast Guard will conduct the ISPS/MTSA verification exam and issue the ISSC to vessels successfully completing the examination.

3.6.6. INTERNATIONAL AIR POLLUTION PREVENTION CERTIFICATES (IAPP) AND ENGINE INTERNATIONAL AIR POLLUTION PREVENTION CERTIFICATES (EIAPP):

Ships of 400 gross tons and above, as measured under the International Convention on Tonnage Measurement of Ships, 1969 (ITC), must demonstrate compliance with Annex VI through possession of an IAPP Certificate and its associated EIAPP Certificate(s). An EIAPP certificate is the internationally accepted documentation that a specific engine meets the international Nitrogen Oxide (NO_x) emission limits for marine diesel engines required by Regulation 13 of Annex VI.

The U.S. Coast Guard or an ACS issues the IAPP certificate; however, only the U.S. Environmental Protection Agency (EPA) issues an EIAPP certificate to a U.S. vessel. The EPA does not accept EIAPP Certificates of foreign administrations or their recognized organizations on a reciprocal basis in lieu of EPA certification. To obtain an IAPP for the U.S., vessel owners/operators must ensure that the engines have EIAPP certification from the EPA.

Vessel owners/operators of U.S. flagged vessels may contact their cognizant OCMI or ACS for application, inspection/survey, and issuance of an IAPP Certificate and its Supplement. Only ACSs that have been delegated the authority to issue IAPP Certificates on behalf of the U.S. Coast Guard in accordance with 46 CFR 8.320 may issue IAPP Certificates to U.S. flagged vessels, including MSP re-flagged vessels.

U.S. ships, including MSP ships, must also comply with the applicable EPA Engine Emission Regulations of either 40 CFR Part 94 (Category 1, 2, and 3 engines - includes small recreational vessels up to large ocean-going vessels) or 40 CFR Part 1042 (Category 1 and 2 engines - includes vessels with engines up to 30 liters / cylinder displacement). In some minor cases, land-based non-road engines can be used in marine applications - these engines are subject to 40 CFR Part 89 or 40 CFR Part 1039. Compliance with EPA emission regulations is evidenced by the presence of a permanent emission control information label affixed to the engine.

Because issuance of EPA EIAPP Certificates and EPA Certification is required prior to issuance of the IAPP Certificate, it is imperative that vessel owners/operators of vessels planning to re-flag ships under MSP contact their engine manufacturers and obtain these required EPA certificates prior to scheduling MSP re-flag exams. Compliance with all U.S. laws and regulations, including EPA Engine Emission Regulations, must be demonstrated prior to issuance of a COI.

Guidance on MARPOL Annex VI and issuance of IAPP Certificates is found in CG-543 Policy Letter 09-01.

3.7. PAYMENT OF USER FEES AND OVERSEAS INSPECTION EXPENSES

User fees and overseas inspection fees (if applicable) shall be paid prior to conducting the initial inspection for certification. The vessel owner/operator is responsible for Coast Guard travel and per diem costs associated with overseas inspections. If owners cannot arrange for advance payment of user fees and overseas inspection fees (if applicable) due to scheduling difficulties, Commandant (CG-5431) shall be contacted to determine if a delay in payment will be permitted until after the inspection has commenced.

ENCLOSURE (3)

GUIDANCE FOR INSPECTION OF MSP VESSELS SUBSEQUENT TO INITIAL CERTIFICATION

1.1. GENERAL

Vessels newly enrolled in MSP will be inspected in accordance with the COI, class society rules, SOLAS, MARPOL, ILLC, and additional applicable conventions and regulations in a manner consistent with traditional U.S. Coast Guard inspections (non-ACP), which will include attendance at all annual and periodic inspections, as well as drydockings, ISE/CTIE, and UWILD examinations. The COI will continue to track dates for drydockings, ISE, boiler information, hydrostatic dates, as well as list pertinent lifesaving and fire equipment details.

Owners or operators of certain MSP vessels may voluntarily apply to enroll their vessels in “MSP Select” after demonstrating satisfactory performance and substantial compliance with applicable rules and regulations for a period of at least five years through their first bottom survey (drydock or UWILD) subsequent to being re-flagged under MSP. Further details regarding subsequent inspections and MSP Select are contained in Enclosure (4).

1.2. RE-ISSUANCE OF CERTIFICATE OF INSPECTION

Vessels enrolled in MSP shall be reissued a COI that coincides with the current intervals of international convention certificates. MSP vessels must complete all required surveys within the time intervals allowed and also correct all outstanding conditions of class. Suspension or withdrawal of class shall be grounds for withdrawal of international convention certificates as well as the U.S. Coast Guard COI.

1.3. INTERNATIONAL CERTIFICATES

The ACS will issue all international certificates for which they have an authorization under 46 CFR Part 8. OCMI's will issue international certificates for which the ACS does not have an authorization. Following consultation with the ACS and responsible vessel personnel, international certificates issued by the OCMI can be harmonized with other international certificates issued by the ACS. OCMI's may accept as proof of compliance the results of surveys conducted by an ACS combined with U.S. Coast Guard oversight of that area. For areas that the ACS has no authorization, and the OCMI is compelled to issue the international certificates, the OCMI may accept a class society survey as evidence of compliance with the MSP standard provided a detailed oversight inspection is conducted (with the exception of the ISPS/MTSA examination, which shall not be conducted by a class society surveyor).

1.4. MODIFICATION TO THE VESSEL SUBSEQUENT TO REFLAGGING

Areas where the previous flag administration or class society accepted a system or equipment prior to reflag which differs from the Coast Guard's current statutory or policy interpretation for the implementation for the international regulation (at the time of the initial inspection) should have been recorded in the vessel's inspection record (MISLE). New installations or modifications to existing systems, made subsequent to the initial reflag shall conform to the Coast Guard's interpretation of international regulations at the time of the modification in so far as reasonable and practicable.

Prior to the replacement or modification the owner/operator will submit to the OCMI an analysis which outlines the difference between the existing part of the ship or equipment under discussion and what would be required to meet the current regulations/standards. Based on this information, the OCMI in consultation with the owner/operator and class society will determine if the proposed modifications would introduce significant inconsistencies in a vessel's systems or in its maintenance. In some cases this may require consultation with the USCG Marine Safety Center. Further details regarding equivalencies and exemptions can be found in Section 1.5 of this Enclosure. Practical solutions are encouraged in these situations, but the overall goal is to have replacements or modifications that comply with U.S. interpretations of the most recent requirements of the international conventions. It is recommended that Marine Safety Center Marine Technical Note, MTN 04-03 be consulted.

1.5. EQUIVALENCIES AND EXEMPTIONS

1.5.1. EQUIVALENCIES

Equivalencies are not waivers, but rather alternatives to U.S. requirements or standards that achieve an equivalent level of safety. As such, equivalency requests must be in the form of a comparative analysis that aims to establish that the alternative meets or exceeds the level of safety associated with U.S. requirements or standards. The following chart outlines the request and approval process for regulatory equivalencies for MSP vessels. This system should also be used when seeking equivalencies for certain type-approved equipment and systems.

The ACS will evaluate the application for equivalency standards. Equivalency evaluations, comments and comparative analyses will be prepared by the ACS and forwarded to the MSC for final approval. The classification society comparative analysis should clearly reflect the current standard (for which an equivalency is desired) and the suggested alternative, including any technical specifications. The submittal should also include a sound engineering analysis and quantified measures of merit using risk-based and/or performance based methodologies that justifies the proposed equivalency. Only the U.S. Coast Guard can approve safety equipment materials, installations, and qualifications required by Title 46 CFR Part 2.75. Equipment not regulated under Title 46 CFR Part 2.75 may be classification society type approved; in such cases the MSC will be notified of any classification society determinations.

Equivalencies (SOLAS Chapter I Part A Regulation 5)

Step	Action		
1	Owner applies, via their ACS, to the MSC to request an equivalency determination.		
2	The MSC will review the equivalency request and forward their determination to the owner, with copy to the ACS and OCMI, its proposed determination and technical details.		
3	<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">If the vessel owner is aggrieved by the MSC's decision</td> <td style="width: 50%;">Then the vessel owner may request reconsideration from the Commanding Officer MSC . If after reconsideration the MSC affirms its original decision the vessel owner may appeal to Commandant (CG-52).</td> </tr> </table>	If the vessel owner is aggrieved by the MSC's decision	Then the vessel owner may request reconsideration from the Commanding Officer MSC . If after reconsideration the MSC affirms its original decision the vessel owner may appeal to Commandant (CG-52).
If the vessel owner is aggrieved by the MSC's decision	Then the vessel owner may request reconsideration from the Commanding Officer MSC . If after reconsideration the MSC affirms its original decision the vessel owner may appeal to Commandant (CG-52).		

All determinations by Commandant are final.

1.5.2. EXEMPTIONS

Exemptions are not normally permitted. When permitted, however, they are limited to circumstances outlined in the international conventions. Typically exemptions are based on limited routes or service and not the inability to comply with a requirement based on design or operational choices.

Exemptions (SOLAS Chapter I Part A Regulation 4)

Step	Action	
1	Apply to the cognizant OCMI to request an exemption.	
2	Copy the ACS to assure information sharing.	
3	The OCMI will review and endorse the request with a recommendation and forward it via the District Commander and Area Commander to Commandant (CG-5431).	
4	If...	Then...
	CG-5431 approves the exemption request	CG-5431 will inform the applicant and copy the ACS, MSC, and OCMI.
	CG-5431 denies the exemption request	CG-5431 will inform the applicant and copy the ACS, MSC, and OCMI

All determinations by the Coast Guard (Commandant) are final.

1.6. PERFORMANCE MONITORING, RISK ASSESSMENT AND TARGETING

Performance monitoring, vessel risk assessments, and targeting are inherent to all U.S. Coast Guard inspection and oversight activities. The U.S. Coast Guard remains ultimately responsible to verify regulatory compliance for U.S. vessels, including those in MSP and MSP Select programs, and must maintain awareness of their effectiveness, as well as each vessel's compliance with applicable U.S. and international safety, security, and environmental standards. This is done through inspections, examinations, and for the

MSP Select program, risk based oversight (considered equal in priority to statutory inspections). MSP vessel performance monitoring, risk assessments, and targeting are administered by U.S. Coast Guard Headquarters (CG-5431) and are intended to ensure the effectiveness of the MSP and MSP Select programs. On-site MI attendance and engagement during MSP inspections, examinations, and oversight activities is a critical component.

Performance monitoring and risk assessments are accomplished through extensive reviews of the historical performance data for enrolled vessels using the ACS, U.S. Coast Guard (MISLE), and commercial (EQUASIS) databases. The data is scored using a matrix to yield a list of tracked performance and targeted vessels for additional oversight. The risk criteria includes operational controls, no sail deficiencies, overseas Port State Control detentions, material condition, ISM non-conformities, marine casualties, vessel service, vessel age, and ACS performance. The results of performance monitoring and risk assessments are used to determine initial and continued suitability for the MSP Select program, and once a vessel is enrolled, if and when additional oversight should be necessary.

MSP Select vessels are targeted for two types of oversight: (1) in port examination; and (2) drydock, internal structural exam, damage assessment, and repair activities. Targeted oversight examinations are optional for OCMI's only if an oversight exam was already conducted within the past six months and the results indicate no safety issues and no further follow up is warranted. MIs should review information in MISLE and class society databases for past recommendations and ACS-issued statutory deficiencies.

In port oversight examinations of MSP Select vessels shall include a review of vessel certificates, crew credentials, and a general examination conducted by walking through the vessel with an emphasis on items which have been the subject of either recent or past Coast Guard control actions or ACS recommendations. Drydock, internal structural, damage assessment, and repair oversight examinations shall be similar in scope to statutory inspection with emphasis on items which have also been the subject of either recent or past U.S. Coast Guard control actions/deficiencies or ACS recommendations.

Oversight examinations should be as detailed as necessary to determine substantial compliance with ACS rules, regulations, or international conventions and be expanded as necessary. Every effort should be made to advise the local ACS office of the pending oversight examination and provide them the opportunity to accompany the examination.

OCMI's shall ensure MSP Select oversight examinations are completed and documented in MISLE using the "IN SERVICE" selection from the "SUB ACTIVITY TYPE" menu. The OCMI should contact the Traveling Inspector staff for inspection technical assistance.

Notification of serious structural issues, "Prior to Sailing" deficiencies, recommendations to remove vessels from the MSP Select program, requests for access to the ACS databases, and questions should be directed to the U.S. Coast Guard's Class Society

Liaison Officer or the MSP Program Manager at U.S. Coast Guard Headquarters (CG-5431).

1.7. TESTS AND MAINTENANCE

The intervals for tests and examinations of MSP vessels mandated by international convention shall be in accordance with the U.S. interpretations of the international conventions. This includes such items as drydocking, internal structural examinations, cargo tank internal structural examinations, examinations of pressure vessels and boilers, inspections of tailshaft(s) (unless the tailshaft(s) and seal are enrolled in an alternate monitoring program as approved and administered by the ACS), replacement of items with expiration dates, and the service interval requirements for lifesaving and firefighting equipment. Additional guidance regarding the servicing of life rafts that are not U.S. Coast Guard approved is provided in Section 1.12 below.

1.8. ACP ENROLLMENT

A vessel enrolled in MSP may also request enrollment in ACP at any time. Enrollment in ACP will require compliance with the applicable U.S. ACP Supplement to class rules and international conventions prior to enrollment, and the plan review, enrollment and inspection procedures detailed in NVIC 02-95 CH-2.

1.9. USER FEES AND REIMBURSABLE OVERSEAS TRAVEL

User fees, overseas inspection fees, and reimbursable overseas travel shall be paid in a manner consistent with other U.S. certificated vessels.

1.10. DEFICIENCIES

A deficiency is a condition found not to be in compliance with the requirements of the relevant convention or regulation. Consistent with traditional U.S. Coast Guard inspections, MIs will issue deficiencies on form CG-835 when appropriate, and provide a copy to the vessel's Master or authorized representative. The OCMI may request and accept a report from an ACS surveyor as proof of completion of an outstanding deficiency. Specific guidance regarding deficiencies issued to vessels enrolled in MSP Select can be found in Enclosure (4).

For deficiencies annotated on CG Form 835, the MI should note the description of the deficiency in a direct and succinct statement that should contain two important elements. First, the description should describe the standard the vessel does not meet. Second, the description should state why the vessel does not meet the requirement. When drafting the CG Form 835, the MI should attempt to order deficiencies in order of severity, listing NO-SAIL CG-835s or deficiencies restrictive in nature first. All deficiency descriptions should be as specific and descriptive as possible using quantifiable language. The MI is encouraged to note convention or regulatory cite for reference. The MI shall assign a compliance date appropriate to the nature of each deficiency. The OCMI shall determine

the length of time allowed to correct the deficiency. In making the determination, the OCMI should consider the following: the nature and severity of the deficiency, the minimum amount of time normally needed to correct such a deficiency, the availability of resources to correct the deficiency, and the vessel's itinerary.

The MI must notify the local office of the ACS that issued the relevant certificates of the related deficiency. Involvement of the ACS in the correction of deficiencies related to equipment, hull, structure, or ISM items is strongly encouraged. MIs shall document MSP vessel attendance in the vessel's MISLE record. Deficiencies noted on form CG-835 shall be documented under inspection results. In some cases, a report issued by the ACS can be accepted as prima facie evidence that the deficiency has been corrected and as the basis for clearing the deficiency in MISLE. If the ACS report satisfies the deficiency, this should be clearly documented in the MISLE activity inspection narrative. To ensure accountability, the OCMI should advise CG-5431 of unsatisfactory performance of these organizations rather than corresponding directly.

1.11. VESSEL OPERATIONS

All MSP vessels are subject to the provisions and regulations contained within 46 CFR Parts 35, 78, and 97.

1.12. SERVICING OF INFLATABLE LIFERAFTS

Under MSP law, liferafts that are not U.S. Coast Guard approved may be retained onboard based on their acceptance by the previous flag administration. If the liferafts are within their service date intervals at the time of reflagging, there is no requirement to service the rafts at that time. However, when the service interval comes due after the vessel is U.S. flagged, a Coast Guard approved servicing facility must be utilized. This may require the owner/operator to contact the liferaft manufacturer to establish approved servicing capability for the liferafts in the U.S. There are provisions for U.S. Coast Guard approval of servicing facilities for liferafts that are not Coast Guard approved in 46 CFR 160.151-35(c). Although these regulations were intended to address foreign approved rafts on foreign flag ships, they may also be applied to this situation. For a facility to obtain U.S. Coast Guard approval to service non-Coast Guard approved rafts for use on U.S. flagged vessels, the liferaft manufacturer(s) will need to develop and document procedures in their servicing manual(s) to address any potential practical and functional problems with the rafts. At a minimum, the procedures should address the items discussed below:

- a) Transport or refilling of non-DOT compliant compressed gas cylinders within the United States is not allowed except for export. Foreign approved liferafts are unlikely to have a compressed gas cylinder that is DOT approved. The export exception of the law allows foreign flag ships to have their liferafts transported to and from the ship to servicing facilities in the United States with non-DOT cylinders. Since MSP ships must by law engage only in non-domestic international service and are certified based on international regulations using the

previous administration's interpretations, the export exception for non-DOT cylinders appropriately applies to rafts for MSP ships. Retention of the original foreign approved cylinders is allowed provided that they are otherwise in compliance with the manufactures requirements. If a cylinder replacement is required, a DOT approved cylinder must be utilized. In cases where a DOT cylinder may not fit with the existing foreign liferaft, then the liferaft must be replaced with a U.S. Coast Guard approved raft equipped with a DOT cylinder;

- b) Emergency equipment and markings will need to be reviewed to ensure they are in English, and replaced or modified if they are not. The servicing manual will need to address replacement of non-U.S. Coast Guard approved survival equipment with U.S. Coast Guard approved equipment when it is no longer serviceable;
- c) The manufacturer will need to have a training program, and ensure that the facility technicians are current on refresher training required by 46 CFR 160.151; and
- d) The manufacturer will need to ensure that servicing stickers as required by 46 CFR 160.151.57(n) and 46 CFR 160.151-41 are used.

The facility would then follow the procedure in 46 CFR 160.151-41 to finalize the approval. Prior to servicing an inflatable liferaft covered under this policy, notice to the OCMI shall be provided in accordance with 46 CFR 160.151-53.

1.13. HYDROSTATIC TESTING INTERVALS FOR HIGH PRESSURE CO₂ SYSTEM CYLINDERS

Some administrations allow up to 20 years for the hydrostatic testing of CO₂ cylinders on fixed high pressure CO₂ systems. This is based on a 10% annual sampling of the cylinders and examination of the flexible loops that connect them to the manifold. The U.S. interpretation of SOLAS stipulates that cylinders must be hydro-tested at least once every twelve years if they remain full and onboard in accordance with 46 CFR Part 147.65(a). Cylinders that are removed from the ship or refilled must have under gone hydro-testing within the last five years.

For MSP ships that have CO₂ cylinders onboard that currently exceed 12 years since the last hydro-test, the cylinders may be progressively tested after the reflagging provided that all of the cylinders have been tested within the last 12 years at the time of the completion of the first drydocking after becoming U.S. flag.

1.14. INSPECTION INTERVALS FOR LOW PRESSURE CO₂, HALON, AND FOAM EXTINGUISHING SYSTEMS

While low pressure CO₂ fire extinguishing systems are not required to be modified (e.g. no agent powered time delay and alarm/shutdown) in order to be accepted as installations

on board MSP vessels, they are required to be inspected in accordance with the provisions stipulated within 46 CFR Part 61.10-5(g). Halon and foam extinguishing systems should also be inspected and serviced in accordance with the U.S. interpretations of international regulations.

1.15. TRANSFER OF CLASS

Vessels enrolled in MSP may transfer to another ACS only after receiving approval from Commandant (CG-5431). Since all current U.S. Coast Guard recognized ACSs are members of International Association of Classification Societies (IACS), the transfer must be completed in accordance with IACS Procedural Requirement No. 1A. Notification of intent to transfer class should be made to Commandant (CG-5431) in writing at least 30 days in advance of the anticipated hand-over survey. During the hand-over survey, the gaining society surveyor, the losing society surveyor and the U.S. Coast Guard MI are required to be in attendance.

After a transfer of classification societies, the vessel will be inspected using the gaining classification society's rules, the applicable CFRs, and international conventions. MIs should focus on potential disparities between classification society rules to avoid regulatory gaps as a result of the transfer of class.

1.16. OVERSEAS INSPECTIONS

To the maximum extent possible, the U.S. Coast Guard will attempt to work with vessel operators to schedule annual inspections, examinations and oversight activities when the vessel is in a U.S. port. However, for vessels that operate or conduct drydockings overseas, the owner should, when practicable, make the vessel available in an accessible port and schedule U.S. Coast Guard personnel to attend. Additionally, the company shall reimburse the U.S. Coast Guard for overseas travel expenses for MIs attending any examination, including those for unscheduled oversight.

In some cases, vessels operate in foreign locations not accessible to U.S. Coast Guard personnel because of U.S. State Department travel restrictions. In this unique circumstance, the vessel's master must attest to the cognizant OCMI that the vessel is in compliance with all applicable laws and regulations, and the ACS must verify that the vessel is in compliance with the certificates which it has issued. The owners should notify the U.S. Coast Guard when the vessel will be at its first port of call accessible to inspection personnel, so that an inspection can be scheduled.

1.17. COAST GUARD REQUESTS FOR ATTENDANCE OF ACS PERSONNEL

The Coast Guard may request that an ACS surveyor attend the vessel to verify compliance with any certificate issued by the ACS or to attest to the proper rectification of a U.S. Coast Guard issued deficiency. Attendance of the classification society surveyor may be in conjunction with U.S. Coast Guard inspector. The U.S. Coast Guard

will initiate the request for attendance of an ACS surveyor with the vessel master and/or the vessel's company representative whenever possible. However, if the master or company declines to make the request, the U.S. Coast Guard may directly request classification society surveyor attendance. All fees and other expenses for the attendance of a classification society surveyor, whether initiated by the U.S. Coast Guard or the vessel owner or operator, is the responsibility of the vessel owner/operator.

1.18. ACCESS TO REPORTS AND RECORDS

The U.S. Coast Guard must have unrestricted access to review any and all classification society records for vessels in MSP. Records may include but are not limited to international certificates issued by an ACS on behalf of the Coast Guard, or any records, files, reports, documents, certificates, or similar material held or issued by the ACS.

1.19. APPEALS

Persons aggrieved by a decision of the U.S. Coast Guard may appeal in accordance with the procedures contained in Title 46 CFR 1.03. The Coast Guard will notify the appellant of its decisions. Decisions may be applied as Coast Guard policy.

ENCLOSURE (4)

GUIDANCE FOR THE MSP SELECT PROGRAM

1.1. INTRODUCTION

Enrollment in the MSP Select program is voluntary for MSP vessels (and does not affect their standing in MSP itself). A request for enrollment must be made by the owner/operator to the U.S. Coast Guard, in writing (similar to the ACP). The requirements and procedures for MSP vessels remain applicable for MSP Select vessels, unless stipulated otherwise below.

1.2. HOW TO APPLY

MSP vessel owners/operators wishing to enroll their vessel in MSP Select should apply by submitting an Application for Inspection (CG-3752) to the cognizant OCMI. The form must indicate the owner's desire to have a vessel enrolled in MSP Select. The application should include the name of the authorized classification society that will assume responsibility for the vessel's compliance with statutory requirements.

1.3. ENROLLMENT CRITERIA & WHEN TO APPLY

Vessels may be enrolled in MSP Select after demonstrating satisfactory performance and substantial compliance with applicable rules and regulations for a period of at least five years through their first under keel survey (drydock or UWILD) subsequent to being re-flagged under MSP. Vessels that meet any of the criteria as stipulated in Section 1.13.2 (Involuntary Disenrollment) of this Enclosure will **not** be considered favorably for MSP Select.

A vessel's enrollment into MSP Select is contingent upon a positive review of the vessel's inspection history, a satisfactory hand-over survey, and a positive endorsement from the cognizant OCMI. The OCMI will review the vessel's inspection record taking into account previously issued deficiencies, marine casualties, operational controls, port state control deficiencies/detentions, and ACS survey records.

1.4. HAND-OVER SURVEY

Hand-over surveys should be scheduled to harmonize with the vessel's window of surveys. The hand-over survey is conducted by an ACS surveyor and a U.S. Coast Guard MI. The survey consists of the mandatory annual survey for the SOLAS Cargo Ship Safety Construction Certificate, Safety Equipment Certificate and the IOPP Certificate (MARPOL). Surveys required for certificates due for renewal or annual classification surveys will be completed as part of the hand-over survey. Any U.S. Coast Guard issued MARPOL certificates will be replaced with classification society issued certificates as part of the hand-over survey. After completing the inspection history review and hand-over survey, the OCMI will provide either a positive or negative endorsement for each

request which will be forwarded to Commandant (CG-5431), via the chain of command, for final approval. A vessel may be enrolled in MSP Select with outstanding (but not overdue) deficiencies and/or conditions of class provided they are not ISM Major Non-conformities or “No Sail” items.

1.5. INSPECTIONS AND EXAMINATIONS

MSP Select oversight examinations subsequent to the hand-over survey shall be of a scope and frequency that is in accordance with procedures established for vessels enrolled in the ACP. This includes increasing the frequency and detail of the oversight for a vessel when it is a higher priority due risk (See Performance Monitoring, Risk Assessment and Targeting in Enclosure 3 to this NVIC). The use of the ACP oversight procedures for MSP vessels provides a more consistent inspection approach for all U.S. ships that use an ACS as an alternative to traditional U.S. Coast Guard inspections. Inspection variance granted to ACP vessels through their ACS’ U.S. supplement shall not apply to MSP vessels, as MSP vessels do not undergo the modifications and equipment retrofits required of ACP enrolled vessels. For tank vessels enrolled in MSP Select, the OCMI will also annually complete the equivalent of the foreign tank ship COC examination.

1.5.1. COI RENEWAL AND ANNUAL EXAMINATIONS

The U.S. Coast Guard issues COIs to MSP vessels for a period not to exceed 5 years. Applications for a COI must be made to the U.S. Coast Guard 30 days prior to the date desired. Annual examinations may be conducted during a three-month window on either side of the vessel’s COI anniversary date. The purpose of the COI renewal and annual examination is to verify continued compliance with the applicable standards in accordance with issued convention certificates, and to verify crew proficiency. The scope of the renewal or annual examination will be similar in scope to the examinations conducted on foreign flag or ACP vessels. The cognizant OCMI should review ACS reports and records of various tests and examinations required as a condition of classification, and verify compliance with international codes and convention regulations. COI renewal and annual exams will include emergency and safety drills to evaluate the proficiency of the vessel’s crew. During the course of the drills, U.S. Coast Guard personnel will observe the vessel’s various systems in operation, and evaluate the vessel’s materiel condition as well as verify International Safety Management (ISM) Code, Safety Management System (SMS) and ISPS/MTSA vessel security compliance. Coast Guard personnel will also examine crew licenses and documents, vessel manuals, and maintenance records during these activities.

1.5.2. PERIODIC OVERSIGHT EXAMINATIONS

The U.S. Coast Guard may conduct targeted and/or periodic oversight examinations at anytime between annual examinations to verify continued compliance with the regulations and applicable standards.

**1.5.3. DRYDOCK (DDE), INTERNAL STRUCTURAL (ISE), AND CARGO TANK
INTERNAL (CTIE) OVERSIGHT EXAMINATIONS**

These examinations are to be conducted at the intervals for hull surveys prescribed by the ACS's rules. Owners/operators of MSP Select vessels must schedule these surveys with the ACS. U.S. Coast Guard inspectors may attend these examinations based on the results of performance monitoring, risk assessments and targeting (See Section 1.6 of Enclosure 3).

1.5.4. DAMAGE SURVEYS AND MARINE CASUALTIES

Nothing in MSP or classification society authorizations shall be interpreted as limiting or restricting the authority of a U.S. Coast Guard Captain of the Port (COTP) or OCMI to exercise control over vessels as provided in existing laws and regulations. The U.S. Coast Guard will conduct marine casualty investigations as authorized and required by federal law. Notwithstanding requirements imposed by classification societies to report damages to classed vessels, owners, agents, Masters or persons in charge of MSP Select vessels that are involved in a marine casualty are required to report and shall provide that report directly to the U.S. Coast Guard as required by Title 46 CFR Part 4.05-1 and 46 CFR 4.05-10. Following any marine casualty, enrolled vessel owners/operators may have the ACS assess the materiel condition of the affected vessel and approve repairs, as authorized by the OCMI. The OCMI, in whose zone the reportable casualty occurred, may take into account the classification society's repair recommendations. However, the OCMI retains final authority to review and approve temporary repair proposals.

1.5.5. INSPECTION ACTIVITIES RETAINED BY THE COAST GUARD

The Coast Guard retains authority for the following marine inspection activities:

1. All manning issues;
2. Approvals for Engine Automation
3. Drydock examination or other survey extensions in excess of 90 days;
4. Issuance of Permits to Proceed for repairs;
5. Issuance of Waivers, exemptions or equivalencies to international conventions; (examples: Load Line, SOLAS and MARPOL);
6. Issuance of Excursion Permits;
7. Change of employment inspections;
8. Critical Area Inspection Plan (CAIP) enrollment/examinations;
9. Issuance of Certificates of Alternative Compliance (COLREGS);
10. Approval of a vessel's enrollment in the Under Water In Lieu of Drydock (UWILD) Program;
11. Approvals of safety equipment, materials, installations, and qualifications required by Title 46 CFR Part 2.75;
12. Issuance of Continuous Synopsis Records (CSR);
13. Issuance of Approval and assessment of Ship Security Plans;
14. Issuance of International Ship Security Certificates;

15. Major Conversion Determinations; and
16. Ballast Water Management compliance and enforcement.

ACTIVITIES RETAINED BY THE COAST GUARD

Activity	Contact	Comment
Drydock interval extensions	CG-5431 via local OCMI & ACS	Beyond 90 days only, less than 90 days may be extended directly by the ACS.
Underwater survey in Lieu of Drydocking (UWILD) participation	CG-5431 via local OCMI & ACS	All requests for participation in the UWILD program by a MSP Select enrolled vessel must be made in accordance with NVIC 01-89.
International convention waivers/exemptions	CG-5431/MS* via local OCMI & ACS	*MSC reviews items relating to vessel plans.
Marine Casualty/Personnel Investigations	Local OCMI	Contact the cognizant OCMI as required by Title 46 CFR Part 4.05 and 5.101.
Alternate Compliance with COLREGS	Local Coast Guard District Commander via local OCMI	Rules of the road deviations.
Approvals required by 46 CFR Part 2.75	CG-5214	Approvals of Safety Equipment, Materials and Installations, and Qualifications for Construction Personnel.
International Ship Security Certificates	Local OCMI for certificates and MSC for associated plan approval	MSC approves all U.S. Vessel Security Plans before local issuance of an International Ship Security Certificate.
Continuous Synopsis Records (CSR)	National Vessel Documentation Center	The National Vessel Documentation Center issues CSRs.

CONTACT THE LOCAL COAST GUARD OCMI DIRECTLY FOR:

Activity	Contact	Comment
Excursion permits	Local OCMI	Normally used for embarking a group of non-paying guests to ride a vessel for a one or two day trip close to land but the total number of guests exceeds the vessel's lifesaving equipment capacity. Additional life rafts, lifejackets and other measures may be temporarily put onboard to supplement the vessel's total lifesaving equipment capacity.
All manning issues	Local OCMI	e.g. reduced manning for engine room automation.
Permits to proceed	Local OCMI	Used in cases where a vessel has such significant deficiencies that its COI is withdrawn. This temporary permit allows the vessel to proceed only to a repair facility.
Vessel security issues	Local OCMI	For assessments, verification, and certificates.
Critical Area Inspection Plan (CAIP) Examinations	Local OCMI	Special program normally used for tracking fracture problems in large oil tankers.

NOTE: Permits to Proceed and Changes of Employment apply only to the COI. They do not replace international convention certificates. If the vessel will call in a foreign port, it must have valid international convention certificates or waivers.

1.6. ISSUANCE OF DOCUMENTS AND CERTIFICATES

The U.S. Coast Guard will issue COIs, Certificates of Documentation, Continuous Synopsis Records, and International Ship Security Certificates for MSP Select vessels. The ACS will issue the international convention certificates for which they have received U.S. Coast Guard authorization.

Upon satisfactory completion of the MSP Select hand-over survey, positive endorsement, and Commandant (CG-5431) approval, the vessel will be issued a COI for the route and service specified on its existing COI and statutory certificates. At vessel owner/operator request, the COI will be issued with dates to harmonize with classification society certificate dates, not to exceed 5 years. As previously noted in this NVIC, vessel manning shall be in accordance with U.S. law, regulations and policy. The OCMI shall place the following endorsement on the Certificate of Inspection and add a special note in the Coast Guard record.

"This vessel is certificated under the provisions of the Maritime Security Program (MSP) Select and is inspected and certificated solely in accordance with the requirements of class rules and international convention requirements as applicable. [Insert the following sentence if the vessel is a Tanker: Tankers must also comply with the requirements for a foreign tank ship Certificate of Compliance (COC)]. This vessel was issued its initial Certificate of Inspection in accordance with MSP on DD MMM YY (Insert date inspection is complete).

MSP Select enrollment was based upon a satisfactory hand-over survey on DD MMM YY" (Insert date inspection is complete).

1.7. RECORDS OF EXAMINATION

Record keeping for MSP Select vessels shall be conducted in the same manner as ACP. The authorized class society will be responsible to track all class and statutory survey completion and due dates in their database which will be accessible to the U.S. Coast Guard. The ACS and vessel owners/operator shall provide at least 14 days advance notice; 30 days if the survey is to take place overseas, of any scheduled drydocking to the cognizant U.S. Coast Guard OCMI. This will allow the U.S. Coast Guard time to plan their attendance for oversight, if desired.

MSP Select vessel COIs will also not track dates for ISE, boiler information, or hydrostatic dates, nor will pertinent lifesaving and fire equipment details be listed. The OCMI shall place the following additional endorsement on the COI and add a special note in the Coast Guard record.

"Drydock dates are monitored by the classification society of the vessel. Notification of drydocking on these vessels will be provided by (enter class society) and the vessel operators to the local OCMI."

As with ACP, the OCMI may allow an ACS to clear a CG-835 deficiency. The vessel master will be responsible to provide the attending Coast Guard inspector any report of an ACS that attests to the correction of a U.S. Coast Guard issued deficiency.

U.S. Coast Guard MIs should document MSP Select vessel attendances in the vessel's MISLE record. Deficiencies noted on form CG-835 should be documented under inspection results. If deficiencies noted by MIs are taken over as Conditions of Class by the ACS, then these items should be documented in the MISLE activity inspection narrative. Additionally, the narrative should clearly indicate how the deficiency is to be rectified. MIs should not use ACP-oversight inspection titles in MISLE for MSP Select oversight activities.

1.8. OCMI NOTIFICATION REQUIREMENTS

Except in the case of casualty damage or other unforeseen contingency, vessel owner/operators should notify the ACS at least 14 days in advance; 30 days if the survey is to take place overseas, of the commencement of any surveys listed below to allow time for classification societies and the cognizant OCMI to plan their attendance:

- Surveys required as a condition of classification; and
- Surveys for the issuance of international convention certificates.

The ACS and vessel owner/operator shall notify the cognizant OCMI whenever:

- A survey involves drydocking (including Underwater survey in Lieu of Drydocking) or internal structural examination (provide the completion dates of drydock and internal structural exams).

The ACS shall notify the cognizant OCMI whenever:

- Clearing a Coast Guard issued CG-835;
- Any survey or audit reveals evidence of:
 - An apparent violation of any applicable law or regulation on the part of an enrolled vessel's owners, operators, licensed or documented crewmember (e.g., presence of oily residue in a segregated ballast tank may be evidence of an apparent violation of pollution prevention regulations);
 - Previously unreported vessel damages; and
 - Safety Management System major non-conformities;
- Extending to an MSP Select enrolled vessel:
 - A classification certificate;
 - An international convention certificate; or
 - Equivalencies to international codes and conventions.

1.9. EXEMPTIONS AND EQUIVALENCIES

Protocols for requesting exemptions and equivalencies for MSP Select vessels are similar to those for MSP (regular) vessels, but the ACS is appropriately inserted in the approval process. The tables in Section 1.5 of Enclosure 3 are amended below to reflect this difference for MSP Select vessels.

Equivalencies (SOLAS Chapter I Part A Regulation 5)

Step	Action		
1	Owner applies to MSC via the ACS to request an equivalency determination.		
2	The ACS will review the equivalency request and forward to MSC its proposed determination and all technical details required for review.		
3	After evaluating the equivalency request and recommendation of the ACS, the MSC will provide a response to the ACS. The response will either be an approval or denial of the request.		
4	<table border="1"> <tr> <td>If the vessel owner is aggrieved by the MSC's decision</td> <td>Then the vessel owner may request reconsideration from the Commanding Officer MSC . If after reconsideration the MSC affirms its original decision the vessel owner may appeal to Commandant (CG-52).</td> </tr> </table>	If the vessel owner is aggrieved by the MSC's decision	Then the vessel owner may request reconsideration from the Commanding Officer MSC . If after reconsideration the MSC affirms its original decision the vessel owner may appeal to Commandant (CG-52).
If the vessel owner is aggrieved by the MSC's decision	Then the vessel owner may request reconsideration from the Commanding Officer MSC . If after reconsideration the MSC affirms its original decision the vessel owner may appeal to Commandant (CG-52).		

All determinations by Commandant are final.

Exemptions (SOLAS Chapter I Part A Regulation 4)

1	Apply to the cognizant OCMI to request an exemption.	
2	Copy the ACS to assure information sharing.	
3	The OCMI will review and endorse the request with a recommendation and forward it via the District Commander and Area Commander to Commandant (CG-5431).	
4	CG-5431 approves the exemption request	CG-5431 will inform the applicant and copy the ACS, MSC, and OCMI.
	CG-5431 denies the exemption request	CG-5431 will inform the applicant and copy the ACS, MSC, and OCMI

All determinations by Commandant are final.

1.10. DEFICIENCIES

A deficiency is a condition found not to be in compliance with the requirements of the relevant convention or regulation. Unless expressly noted otherwise in this guidance, U.S. Coast Guard MIs should issue deficiencies (on CG Form 835) only as a last resort after all other corrective measures have proven impractical; for example, if a classification society surveyor is not immediately available to attend the vessel, is unwilling to note it immediately as a Condition of Class, or if an ACS is unfamiliar with

the provisions contained within this guidance. All deficiencies issued by U.S. Coast Guard personnel shall be reported to the ACS and vessel representative. The ACS surveyor-in-charge should also be notified prior to any action taken against the vessel's COI based either on the vessel's materiel condition or Safety Management System (ISM Code) compliance. For major materiel conditions items (No-Sail items) the procedure contained in Section 1.11, below, shall be followed.

For deficiencies annotated on CG Form 835, the MI should note the description of the deficiency in a direct and succinct statement that should contain two important elements. First, the description should describe the standard the vessel does not meet. Second, the description should state why the vessel does not meet the requirement. When drafting the deficiency, the MI should attempt to order deficiencies in order of severity, listing NO-SAIL CG-835s or deficiencies restrictive in nature first. All deficiency descriptions should be as specific and descriptive as possible. The MI is encouraged to note convention or regulatory cite for reference. The MI shall assign a compliance date appropriate to the nature of each deficiency. The OCMI shall determine the length of time allowed to correct the deficiency. In making the determination, the OCMI should consider the following: the nature and severity of the deficiency, the minimum amount of time normally needed to correct such a deficiency, the availability of resources to correct the deficiency, and the vessel's itinerary.

The MI must notify the local office of the ACS that issued the relevant certificates of the related deficiency. Involvement of the ACS in the correction of deficiencies related to equipment, hull, structure, or ISM items is strongly encouraged. For deficiencies discovered by the U.S. Coast Guard, which fall under the authorization of the ACS, the deficiency should specify that corrective measures be made to the satisfaction of the ACS. The ACS's surveyor may extend or modify the deficiency with permission from the issuing OCMI. Deficiencies issued by the U.S. Coast Guard shall be tracked in MISLE and the ACS database. Deficiencies noted on form CG-835s shall be documented under inspection results. However, a report issued by the ACS should be accepted as prima facie evidence that the deficiency has been corrected and will be the basis for clearance in MISLE. If the ACS is permitted to clear a deficiency, this should be clearly documented in the MISLE activity inspection narrative. To ensure accountability, the OCMI should advise Commandant (CG-5431) of unsatisfactory performance of the ACS rather than corresponding directly with the ACS.

1.11. MAJOR MATERIEL CONDITION DEFICIENCIES OR MAJOR NON-CONFORMITIES FOR ISM CODE

Any deficiency or ISM non-conformity that poses a serious threat to personnel or vessel safety or a serious risk to the environment and requires immediate corrective action is considered major. In addition, the lack of effective and systematic implementation of a requirement of the ISM Code is also considered a major non-conformity. Major materiel condition deficiencies and ISM major non-conformities are those that, if discovered on a foreign flag vessel, would justify a Port State Control detention (e.g, No-Sail CG-835s). During any examination, the OCMI will notify the ACS if a MSP Select vessel is

considered unsafe to proceed to sea, or if it presents a serious threat to life, property, or to the marine environment. For ISM related non-conformities, the ACS will be notified. All deficiencies deemed to be major in nature shall be listed on form CG-835.

a. Upon detection of a major materiel deficiency¹

Step	Action
1	The OCMI shall promptly contact the vessel owner/operator and the classification society surveyor-in-charge, inform them of the specific nature of the deficiency and ascertain their proposed corrective action.
2	The OCMI may suspend, deny or revoke the COI, or issue similar control action. A form CG-835 will be issued.
3	If a control action is required on a MSP Select vessel, the OCMI shall notify Commandant (CG-5431).
4	Civil penalty and/or Suspension and Revocation action may be pursued for the non-compliance.

¹ INCLUDES THE DETECTION OF PORT STATE CONTROL ACTIONS

b. Upon detection of an apparent ISM major non-conformity

Step	Action
1	Where a deficiency may be linked to an apparent major non-conformity with the ISM Code, the OCMI should require a special verification audit to be conducted on the vessel, company or both to establish compliance with the ISM Code. A form CG-835 will be issued.
2	If a special verification audit is required by the OCMI, Commandant (CG-5431) should be notified immediately.
3	If a special verification audit is required by the OCMI, the ACS and vessel's Recognized Organization shall be notified immediately.
4	If the audit results in a major non-conformity the ACS will notify Commandant (CG-5431). The vessel may not operate until the ACS accepts a corrective action plan with concurrence of CG-5431.

1.12. REVOCATION OF A COI OR STATUTORY CERTIFICATES AND OPERATIONAL CONTROLS

The U.S. Coast Guard retains the authority to deny or revoke the COI or impose operational controls on any MSP vessel, as discussed in enclosure (3). Only the U.S. Coast Guard OCMI or Coast Guard District Commander may revoke an international certificate. Subsequently, the OCMI may also need to revoke, amend or suspend a COI depending on the severity of the item(s) causing the international certificate(s) to be revoked or withdrawn. Only Commandant (CG-5431) may revoke an ISM Document of Compliance.

Cognizant OCMI's may deny or revoke a COI to an enrolled MSP Select vessel for reasons including non-compliance with ACS conditions and requirements relating to statutory deficiencies (including major non-conformities issued in conjunction with an ISM Code Safety Management Certificate), or substantial inspection deficiencies, unreasonable delays in correcting conditions or deficiencies; or, expiration or invalidation of required documents. A civil penalty action and/or Suspension and Revocation may

also be initiated if the vessel is operated without a valid COI. COI revocation may be grounds for involuntary disenrollment from the MSP Select Program.

1.13. DISENROLLMENT FROM MSP SELECT AND REVERSION TO TRADITIONAL U.S. COAST GUARD INSPECTION

Disenrollment from MSP Select may take place either voluntarily or involuntarily. (i.e. the vessels returns to MSP regular) When practicable, this transfer should take place in conjunction with a scheduled annual examination. Vessel owners or operators wishing to voluntarily disenroll from MSP Select should notify the local OCMI in writing via a CG-3752 (Application for Inspection) as well as the ACS. The OCMI should also notify Commandant (CG-5431) of such an occurrence to ensure program records are updated.

1.13.1. VOLUNTARY DISENROLLMENT

The vessel owner may apply for MSP Select at any time following a voluntary disenrollment, but not before the first anniversary. Re-enrollment examinations should be scheduled so as not to interrupt certificate harmonization.

1.13.2. INVOLUNTARY DISENROLLMENT

MSP Select vessels not maintained in accordance with applicable rules, regulations, or policies, and/or targeted for additional oversight for more than one year through their unsatisfactory performance and/or non-compliance with applicable standards may be involuntarily disenrolled from the MSP Select program. Vessels involuntarily disenrolled will be ineligible to re-enroll in MSP Select for 5 years. Commandant (CG-5431) will make all involuntary disenrollment determinations. Below are the criteria that could lead to disenrollment:

1. Removal of the vessel from Class;
2. A recommendation from the ACP Classification Society to disenroll the vessel;
3. Invalidation or revocation of one or more of the vessel's International Convention Certificates;
4. Invalidation or revocation of the vessel's Certificate of Inspection;
5. A pattern of two or more foreign detentions and/or U.S. control actions within a 12 month period, or
6. The vessel is targeted for additional U.S. Coast Guard oversight for more than one year based on performance monitoring and risk assessments.

1.13.3. CONSIDERATION PROCESS FOR PORT STATE CONTROL DETENTIONS

Vessel owners who are involved with a foreign port state control detention may contact Commandant (CG-5431) in writing within 30 days to consider mitigating factors. Commandant (CG-5431) may assess factors leading to the detention and weigh them against how a similar discrepancy would have been evaluated by the Coast Guard on a

U.S. flag vessel. Items warranting consideration may include items such as oil in the bilges or failures resulting from an act of God, which the vessel had not had reasonable time to correct. In such rare cases, Commandant (CG-5431) may suspend using a foreign port state control detention as criteria for involuntary disenrollment.

1.14. POST DISENROLLMENT STANDARDS

During the period that the vessel is returned to U.S. Coast Guard traditional inspection, it will continue to be inspected to the same standards as it was under MSP Select, that is, classification rules, international conventions, and the applicable U.S. regulations under which it was originally enrolled. However, repairs, modifications, conversions, and equipment renewals must comply with the applicable Coast Guard procedures and policies. It is recommended that vessel owners retain a copy of the gap analysis used when the vessel was re-flagged and enrolled in MSP to ensure proper record keeping and future inspection consistency.

1.15. APPEALS UNDER MSP SELECT

1.15.1. APPEALING ACS DECISIONS PERTAINING TO ACS RULES

The ACS will specify the procedures to follow in order to file the appeal. The decision of the ACS regarding application of ACS rules is final. The ACS classification society will notify Commandant (CG-5431) and the MSC of its decision.

1.15.2. APPEALING ACS DECISIONS PERTAINING TO INTERNATIONAL CODES AND CONVENTIONS

Owners or operators of MSP Select vessels aggrieved by an ACS' decision on matters involving international codes and conventions are encouraged to resolve the matter at the most immediate level practicable (i.e., with the attending surveyor or surveyor-in-charge).

If still not resolved at the lowest level, aggrieved parties must first appeal the matter to the ACS. The ACS will specify the procedures to be followed in order to file the appeal. If resolution is achieved, the ACP classification society will notify the Coast Guard of its decision.

Failing resolution with the ACS, an aggrieved party may appeal the matter to Commandant (CG-5431). All decisions of Commandant are final. Decisions may be applied as U.S. Coast Guard policy.

Step	Action
1	Failing resolution by the ACS, the vessel's representative may submit an appeal to Commandant (CG-5431).
2	Commandant (CG-5431) will rule on the appeal. All decisions of Commandant (CG-5431) are final.
3	The Commandant (CG-5431) will notify the vessel's representative and the ACS of its decision.

1.15.3. APPEALING OCMI DECISIONS

Persons aggrieved by a decision of the U.S. Coast Guard may appeal in accordance with the procedures contained in Title 46 CFR 1.03. The Coast Guard will notify the appellant of its decisions. Decisions may be applied as U.S. Coast Guard policy.

DRAFT