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Coast Guard Issues Inspection of Towing Vessels Final Rule

By Laura E. Avery on June 24th, 2016



The U.S. Coast Guard **Inspection of Towing Vessels Final Rule under 46 CFR Subchapter M** takes effect on July 20, 2016. The Rule, published this week, has its roots in the Coast Guard and Maritime Transportation Act of 2004, and creates many new requirements for the equipment, operations, construction and design of towing vessels, and establishes a comprehensive inspection regime. The Rule provides that towing vessel owners/operators must select for their fleet one of two inspection compliance options: (1) the Coast Guard inspection option or (2) the Towing Safety Management System (TSMS) option.

The Coast Guard inspection option is fairly straightforward; under it, the Coast Guard conducts annual routine

inspections of towing vessels or fleets. To meet record keeping requirements, vessel owners may use a safety management system (SMS), towing vessel record, vessel operations manual or logbook. The second option, TSMS, requires owners/operators to implement a survey program for vessel compliance, which may be internal or external. Under an external survey program, Third Party Organizations (TPOs), such as certain classification societies, perform routine inspections of the vessels. An internal survey program is conducted using internal resources or contracted surveyors, with the oversight of a TPO. Whatever option is selected, a new towing vessel must obtain a Certificate of Inspection from the Coast Guard before it enters into service. Owners/operators of only one towing vessel must have a valid Certificate of Inspection by July 20, 2020, while owners/operators of a fleet of towing vessels must obtain a Certificate of Inspection for each vessel according to a set schedule (July 2019 for at least 25% of the fleet; July 2020 for at least 50%; July 2021 for at least 75% and July 19, 2022 for 100% of the fleet). Owners/operators that select the TSMS option must obtain a TSMS certificate from a TPO at least six months before their vessels may obtain a Certificate of Inspection.

The Coast Guard estimates that the Inspection of Towing Vessels Final Rule will affect 5,509 U.S.-flag towing vessels and 1,096 owners or operators of towing vessels. The financial impact on the industry is estimated to amount to an annual cost of about \$33 million, with some cost savings stemming from certain exemptions in the Rule for existing vessels. Vessel owners/operators are well-advised to fully review the Final Rule to ensure compliance, as failure to timely implement the Rule's requirements could result in substantial penalties, delay in

vessel operations, and other liabilities.

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