



## USCG Office of Commercial Vessel Compliance (CG-CVC) Mission Management System (MMS) Work Instruction (WI)



Category	Domestic Inspection Program				
Title	Small Passenger Vessel Risk Based Inspection Program				
Serial	CVC-WI-028(1)	Orig. Date	14JUN21	Rev. Date	N/A
Disclaimer:	This guidance is not a substitute for applicable legal requirements, nor is it itself a rule. It is not intended to nor does it impose legally-binding requirements on any party. It represents the Coast Guard's current thinking on this topic and may assist industry, mariners, the public, and the Coast Guard, as well as other federal and state regulators, in applying statutory and regulatory requirements. You can use an alternative approach for complying with these requirements if the approach satisfies the requirements of the applicable statutes and regulations. If you want to discuss an alternative approach (you are not required to do so), you may contact the Coast Guard Domestic Vessel Compliance Division (CG-CVC-1) at <a href="mailto:cgcvc@uscg.mil">cgcvc@uscg.mil</a> who is responsible for implementing this guidance.				
References:	(a) 46 CFR 115, Subchapter K (b) 46 CFR 176, Subchapter T (c) Marine Safety Manual (MSM) Volume II, COMDTINST M16000.7B				

- A. **Purpose.** This Work Instruction provides Officers in Charge, Marine Inspection (OCMI), Chiefs, Inspection Division (CID), and Marine Inspectors (MI) with inspection guidance for the small passenger vessels (SPV) risk based inspection program.<sup>1</sup>
- B. **Action.** OCMI's shall actively employ risk management when managing SPV inspections within their Fleet of Responsibility. CG-Policy Letter 20-02 *Inspection Guidance for High Risk Small Passenger Vessels* and CG-CVC Policy Letter 16-05 (CH-1), *Risk-Based Decision Making (RBDM) for Small Passenger Vessel (SPV) Annual Inspection Activity* are hereby cancelled.
- C. **Background.** Risk assessment and risk management are daily activities for Coast Guard personnel involved in vessel compliance activities. OCMI's use formal and informal assessments to balance workforce constraints with the need to facilitate a safe and efficient maritime industry. The Coast Guard continues to conduct statutory inspections on the SPV fleet in accordance with 46 U.S. Code § 3301; however, data analytics provide a new tool and modernized approach to the marine inspection program to prioritize marine inspection resources.

The types of SPVs and nature of operations vary greatly from small water taxis within a harbor to large, overnight ocean going vessels. Vessels are constructed of a variety of materials, use differing technology, and can be newly built or more than a century old. The associated probability of a marine casualty and the subsequent consequence to people, property and the environment likewise varies greatly across the SPV fleet. Vessels with higher risk characteristics or operations may receive greater Coast Guard oversight than corresponding vessels that pose a lower risk.

Using various computational methods, machine learning-enabled software, and the Coast Guard's database of deficiency and casualty information, the Coast Guard developed a model to categorize SPVs based on potential risk for an undesirable outcome. The model evaluates numerous factors, including compliance history, number of passengers carried, vessel type, vessel age, route, and history of vessels in related operations to place the vessel into one of three tiers (I, II or III). These categories correspond to the required scope, follow-on inspections, and administrative procedures

<sup>1</sup> This work instruction does not apply to small passenger vessels enrolled in the Streamlined Inspection Program (SIP), multi-service certification vessels, OSRVs, OSVs, or passenger barges.

within the program. The tier assignment does not necessarily reflect the owner/operator's performance or condition of the vessel, but instead reflects the potential outcomes based on an analysis of both the specific vessel and vessels with similar activity.

As of January 1, 2021, the results from the SPV risk model are used in scheduling SPV inspections.

D. Action:

1. The Office of Commercial Vessel Compliance (CG-CVC) will annually evaluate the output of the risk model and provide a list of vessels and their tier level to internal Coast Guard users on an annual basis. Since a follow-on inspection is associated with a Tier I vessel, CG-CVC will notify owners if their vessel is a Tier I vessel and will only provide further notification in subsequent years if there is a change to the vessel Tier assignment. Each vessel will fall into one of three categories, Tier I, II, or III. An OCMI may recommend to CG-CVC, via a memo through District and Area, that a vessel be moved to a lower tier.
2. OCMI shall ensure that the appropriate MI is assigned to the vessel based upon the tier level and inspection required. The OCMI may continue and is encouraged to use their discretion to identify vessels that should receive an expanded annual inspection. The designated OCMI shall be briefed on the annual inspection results on each Tier I vessel. Initial and reissuance COIs issued to Tier I vessels under Subpart D of references (a) and (b) shall be signed by the designated OCMI.
3. Inspection Types and Marine Inspector Attendance: The OCMI shall select the appropriate MI based on the vessel Tier (enclosure 1).<sup>2</sup> Further, every vessel, regardless of tier assignment, should be inspected by an experienced MI at least once during a COI five year cycle to provide a consistent baseline for regulatory compliance. This should occur at the COI renewal inspection. Other inspection requirements, including hull, internal structure exams, and deficiency checks, remain unchanged. The OCMI may conduct additional inspections to increase the frequency of MI attendance or to focus on a particular system at their discretion. The OCMI may expand the scope of the inspection to verify the vessel does not pose a threat to people, property, or the environment. Inspection guidance and checklists are located at: <https://www.dco.uscg.mil/Our-Organization/Assistant-Commandant-for-Prevention-Policy-CG-5P/Inspections-Compliance-CG-5PC-/Commercial-Vessel-Compliance/CVCmms/>
  - i. **COI and Expanded Annual<sup>3</sup> Inspection.** This is the initial or renewal COI or annual inspection outlined in references (a) and (b).<sup>4</sup> The lead inspector for this inspection should be a qualified Advanced Journeyman MI (AJMI). If an AJMI is not available due to other operational obligations, the designated OCMI<sup>5</sup> should approve the next best experienced MI to serve as lead inspector. The decision to assign a non-AJMI as lead inspector shall be made by the OCMI. COI and expanded annual inspections shall be conducted on vessels that meet the following conditions as per enclosure (1):

<sup>2</sup> While OCMI shall strive to assign an AJMI or JMI as outlined in this WI, there may be instances where it may not be practical based on the current staffing model.

<sup>3</sup> An Expanded Annual Inspection is an inspection similar in scope to a COI inspection, that adheres closely to the format for subsequent COI inspections as outlined in subsections 46 CFR 115 Subpart H or 176 Subpart H, as applicable, including the completion of satisfactory drills as required in that subsection.

<sup>4</sup> Authority for an expanded annual inspection can be found in 46 CFR 176.500, and 46 CFR 115.500.

<sup>5</sup> This is typically the Sector Commander or MSU Commanding Officer. This decision should not be delegated.

- 1) All vessels that are assigned a Tier I status.
- 2) All vessels on an international route.
- 3) All vessels that require an initial or renewal COI Inspection, regardless of Tier and as required by references (a) and (b).

ii. **Follow-On Inspections.**<sup>6</sup> The focus of this inspection is on the performance of crewmembers and operational condition of the vessel with passengers on board. The Follow-On inspection is not intended to be an unannounced inspection and should be scheduled with the operator to observe the vessel in a typical operating condition while minimizing impact on business operations. The operator is not expected to prepare the vessel for a material inspection (e.g. life jackets need not be removed from stowage). The MI should conduct a brief walk through of the vessel to assess the general material condition, fire load, and the addition or relocation of weight that may affect stability. The MI is not expected to test machinery or other systems. The MI shall evaluate crewmembers' knowledge of emergency procedures, watch standing responsibilities, and operation of engineering and safety systems. If the MI has evidence that a crew member is unfamiliar with their responsibilities, the MI may require the crew conduct a drill or demonstrate the proper operation of equipment to assess the crew's ability to safely operate the vessel. Any qualified MI may conduct this inspection. Follow-On inspections shall be conducted on vessels that meet the following conditions:

- 1) Tier I vessels approximately 5-7 months after a COI or expanded annual exam.<sup>7</sup>
- 2) The OCMI retains the discretion to conduct additional Follow-On inspections, as needed.

iii. **Annual Inspection.** This is the annual inspection outlined in references (a) and (b), which consists of a less detailed inspection compared to a COI or expanded annual inspection. The MI may expand the inspection, to include additional equipment tests and witnessing drills as provided within the regulations. At a minimum, the lead inspector for this inspection should be a qualified Journeyman MI (JMI). If a JMI is not available, the designated or delegated OCMI should assign the next best-qualified MI to serve as lead inspector. Annual inspections shall be conducted on vessels that meet the following conditions as per enclosure (2):

- 1) Tier II vessels at the first, second, third, and fourth annual inspection.
- 2) Tier III vessels performed at the third annual inspection.

iv. **Focused Annual Inspection.** The focused annual inspection covers critical items related to lifesaving, firefighting, and watertight integrity. At a minimum, the lead inspector for this inspection should be a qualified Apprentice MI (AMI). Focused annual inspections shall be conducted on vessels that meet the following conditions as per enclosure (1):

- 1) Focused Annual Inspections may be conducted on Tier III vessels at the first, second, and fourth annual inspection (enclosure 1).

<sup>6</sup> Authority provided in 46 CFR 2.01-10, 115.840 and 176.840.

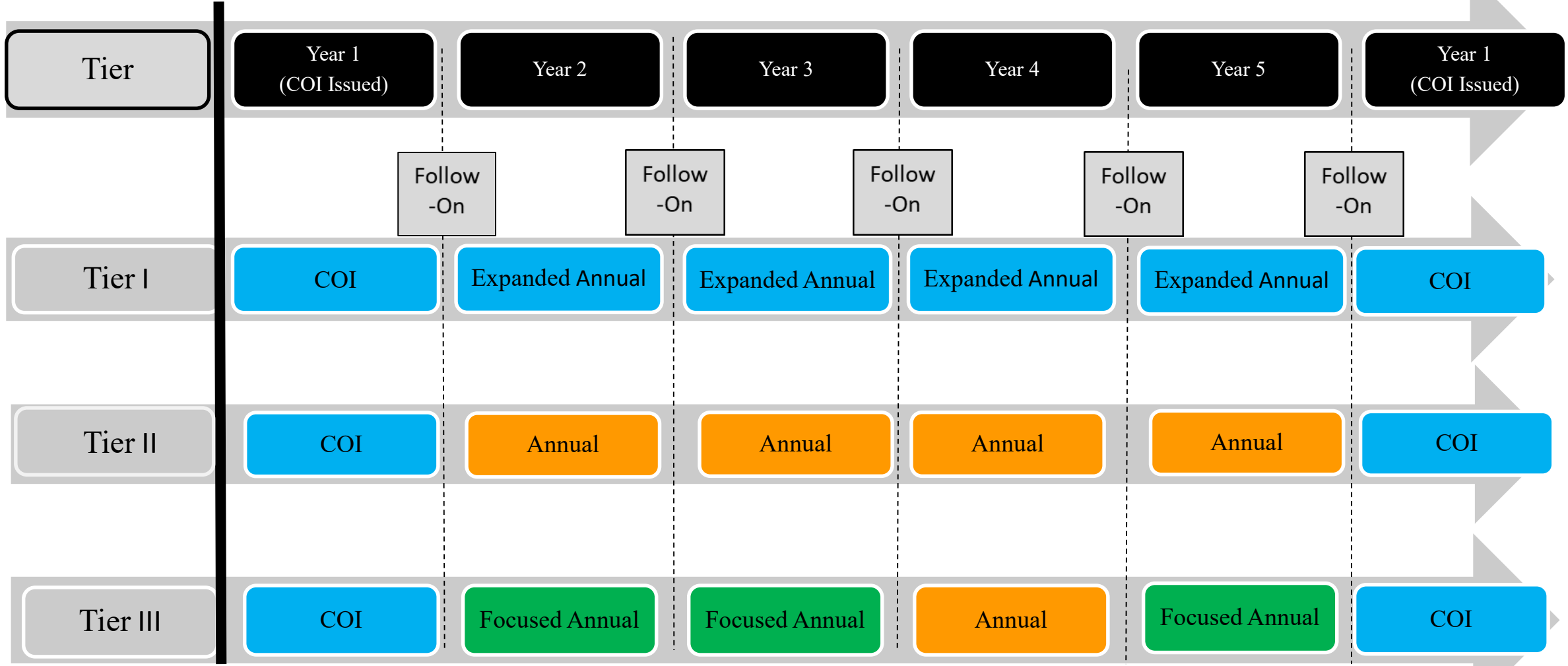
<sup>7</sup> For vessels with seasonal operations, OCMI may decrease this time interval, as appropriate.

2) If a focused annual inspection resulted in a serious deficiency (Code 30), the inspection shall be expanded.

- E. Questions concerning this policy letter and guidance should be directed to Office of Commercial Vessel Compliance, COMDT (CG-CVC), Domestic Compliance Division at [CG-CVC@uscg.mil](mailto:CG-CVC@uscg.mil). This policy letter and other Domestic Vessel Policy documents are posted on the CG-CVC website at [http://www.uscg.mil/hq/cgcvc/evc/policy/policy\\_letters.asp](http://www.uscg.mil/hq/cgcvc/evc/policy/policy_letters.asp).

M. EDWARDS  
Captain, U.S. Coast Guard  
Chief, Office of Commercial Vessel Compliance  
By direction

# Typical Inspection Timeline for Tiered Vessels



Follow-On Inspections can be conducted by any of the below Marine Inspectors.

Lead Marine Inspector: ■ Advanced Journeyman Marine Inspector ■ Journeyman Marine Inspector ■ Apprentice Marine Inspector (Officer, Civilian, Warrant, or Enlisted)