

## **Supporting Statement for Alternate Compliance Program**

### **A. Justification**

#### 1. Circumstances which make the collection of information necessary.

This voluntary program, under Part B of Subtitle II of 46 U.S.C. 3101-4705, will provide owners of U.S. tank vessels, passenger vessels, mobile offshore drilling units (MODUs), and cargo and miscellaneous vessels an alternative method to fulfill the requirements for vessel design, inspection and certification. Under this program, the Coast Guard would issue a Certificate of Inspection based upon a recognized Classification Society's reports that the vessel complies with the International Convention for the Safety of Life at Sea, as amended (SOLAS 74/83), other applicable international conventions, Classification Society rules, and other specified requirements. Information showing the compliance status of a vessel enrolled in this program must be provided to the Coast Guard by the Classification Society prior to issuance of a Certificate of Inspection by the Coast Guard.

The regulations under which this requirement is implemented are in 46 CFR Part 8 and Subpart D entitled 'Alternate Compliance Program'. References to the option of enrolling and being inspected in the Alternate Compliance Program (ACP) are found in 46 CFR 31.01-3 (Tank Vessels), §71.15-5 (Passenger Vessels), §91.15-5 (Cargo and Miscellaneous Vessels), and §107.205 (Mobile Offshore Drilling Units), but the details of the applicable regulations are contained in Part 8 and Subpart D as mentioned above.

Some of the sections applicable to this collection are in 46 CFR 8.130, 8.240, 8.320, 8.420 and 8.430. These sections outline the requirements that a Classification Society must fulfill for Coast Guard recognition and authorization of that Classification Society to perform delegated functions, issue international certificates and participate in the ACP.

The other sections applicable to this collection are 46 CFR 8.440(b) and (c) outlining the terms for 'Vessel Enrollment in the Alternate Compliance Program'.

This information collection supports the following strategic goals:

Department of Homeland Security

- Prevention
- Protection

Coast Guard

- Maritime Safety
- Protection of the Natural Resources

Marine Safety, Security and Stewardship Directorate (CG-5)

- Safety: Eliminate deaths, injuries, and property damage associated with commercial maritime operations.

- Human and Natural Environment: Eliminate environmental damage associated with maritime transportation and operations on and around the nation's waterways.

2. Purpose of the information collection and consequences if the information were not collected.

Information must be collected by the Coast Guard in order to determine the compliance status of a vessel enrolled in this program. If the information is not made available to the Coast Guard, the Coast Guard will not be able to issue a Certificate of Inspection to an enrolled vessel.

3. Considerations of the use of improved technology.

Information is submitted in writing or electronically via e-mail. Information is submitted to the CG Officer in Charge, Marine Inspection (OCMI) at the local Sector Office. The forms associated with this collection—the Application for Inspection of U.S. Vessels (CG-3752) and Application for Inspection of U.S. Vessels (New Construction)(CG-3752A)—are available at— <http://www.uscg.mil/forms>. A comprehensive list of contact info for Coast Guard units is found at: <http://www.uscg.mil/top/units/>.

Additionally, all Coast Guard field offices have access to Recognized Classification Society databases. The Coast Guard believes that there is an electronic transfer of information regarding vessel inspections, between the classification societies and the Coast Guard, for about 50-60% of all annual applications. There is also more information now available about classification societies and authorization on the US Coast Guard website, that can be found on the link— <http://www.uscg.mil/hq/cg5/acp/> .

We estimate that much of the reporting and recordkeeping requirements can be done electronically. At this time, we estimate that approximately 55% of the applications are collected electronically.

4. Efforts to identify duplication. Why similar information available cannot be used.

Only the Classification Society that classifies an enrolled vessel will have the information required by the Coast Guard under this program.

5. Methods used to minimize the burdens to small business if involved.

This information collection does not have an impact on small businesses or other small entities.

6. Consequences to the Federal program if collection were conducted less frequently.

Without information provided annually, the Coast Guard would not be able to ensure that an enrolled vessel continues to be eligible for a Certificate of Inspection.

7. Special circumstances.

This information collection is conducted in manner consistent with the guidelines in 5 CFR 1320.5(d)(2).

8. Consultation.

A 60-day Notice was published in the *Federal Register* to obtain public comment on this collection (see [USCG-2011-0854]; September 16, 2011; 76 FR 57748). Additionally, a 30-day Notice was published in the *Federal Register* to obtain public comment on this collection (November 21, 2011; 76 FR 71987). The Coast Guard has not received any comments on this information collection.

9. Payment to respondents.

There is no offer of monetary or material value for this information collection.

10. Assurance of confidentiality.

There are no assurances of confidentiality provided to the respondents for this information collection.

11. Additional justification.

There are no questions of sensitive language.

12. Reporting and recordkeeping burden.

- The estimated annual number of respondents is 88.
- The estimated annual number of responses is 88.
- The estimated annual hour burden is 176 hours.
- The estimated annual cost burden is \$15,840.

There are two components to the hour and cost burden. One is Classification Society recognition and authorization to participate in the ACP; the other is vessel inspection under the ACP.

a. Costs of Classification Society Authorization.

The requirements for Classification Society recognition and authorization are in 46 CFR 8.130, 8.240, 8.320, 8.420 and 8.430. These sections outline the requirements that a Classification Society must fulfill for Coast Guard recognition and authorization of that Classification Society to perform delegated functions, to issue international certificates and to participate in the ACP. In essence therefore, participation involves a three-step

process -- recognition, authorization to issue international certificates, authorization to participate in the ACP – and is implemented as follows.

- i. Recognition -- The first phase of participation requires satisfying a set of performance criteria based on: standards developed by the International Maritime Organization (IMO); a satisfactory port state control performance (based on a rolling, three-year average of detentions of distinct arrivals in U.S. waters); and reciprocity for ABS to perform similar functions in the country where the Classification Society is based.
- ii. Authorization to Issue International Certificates -- Upon recognition, a Classification Society may apply to the Coast Guard to issue certain international certificates on behalf of the Coast Guard. Based on a review of the class rules and procedures, the Coast Guard may enter into an agreement with the society to issue international certificates. In order to delegate official USCG functions, there must be a written, legal agreement between the recognized Classification Society and the USCG.
- iii. Authorization to participate in the ACP -- In the third and final step of this process, the Coast Guard may authorize a Classification Society to participate in the ACP. This occurs two years after the Society has issued its first safety related international certificate under step two above.

Currently, there are four (4) Classification Societies authorized to participate in the ACP -- the American Bureau of Shipping (ABS), Det Norske Veritas (DNV, Norway), Lloyd's Register (LR, Great Britain), and Germanischer Lloyd (GL, Germany). Bureau Veritas (BV, France) and RINA, S.p.A. (RINA, Italy) are recognized classification societies authorized to issue some international safety certificates--see table below, from: <http://www.uscg.mil/hq/cg5/acp/>

Also, it is not necessary for a Classification Society to renew an authorization so there are no other applications involved after initial authorization. A Classification Society must maintain the safety standards outlined in 46 CFR Part 8 for continued authorization.

We do not estimate any ACP applications for this period, and thus estimate 0 hours for the element.

## Status of Classification Society Recognition, ACP Participation, and Authorizations Delegated by the U.S. Coast Guard

Class Society Status	ABS	DNV	LR	GL	BV	RINA
Recognized (46 CFR part 8, subpart B)	✓	✓	✓	✓	✓	✓
Alternate Compliance Program (46 CFR part 8, subpart D)	✓ +	✓ +	✓ +	✓ +		

Authorizations	ABS	DNV	LR	GL	BV	RINA
Tonnage						
ITC (46 CFR 69, subpart B)	✓	✓	✓	✓	✓	✓
U.S. Regulatory (46 CFR 69, subparts C & D)	✓	✓	✓	✓	✓	✓
International Load Line Certificate (LL Protocol)	✓	✓	✓	✓	✓	✓
Cargo Ship Safety Construction Certificate (SOLAS)	✓	✓	✓	✓		✓
Cargo Ship Safety Equipment Certificate (SOLAS)	✓	✓	✓	✓		✓
Passenger Ship Safety Certificate (SOLAS)	✓	✓				✓
High-Speed Craft Code Certificate and Permit to Operate High-Speed Craft (HSC Code)						
International Oil Pollution Prevention Certificate (MARPOL 73/78, Annex I)	✓	✓	✓	✓		✓
International Certificate of Fitness for the Carriage of Dangerous Chemicals in Bulk (IBC Code)	✓	✓	✓			
International Certificate of Fitness for the Carriage of Liquefied Gasses in Bulk (IGC Code)	✓	✓	✓			
International Pollution Prevention Certificate for the Carriage of Noxious Liquid Substances in Bulk (NLS Certificate) (MARPOL 73/78 Annex II)	✓	✓	✓			
Certificate of Fitness for the Transport and Handling of Limited Amounts of Hazardous and Noxious Liquid Substances in Bulk on Offshore Support Vessels (resolution A.673(18), as amended)	✓	✓				
Verification of Compliance with MARPOL 73/78 Annex III (Packaged Harmful Substances)	✓ +	✓ +	✓ +	✓ +		
Verification of Compliance with MARPOL 73/78 Annex V (Garbage)	✓ +	✓ +	✓ +	✓ +		
International Air Pollution Prevention Certificate (MARPOL 73/78, Annex VI)	✓	✓	✓			
Safety Management Certificate and Document of Compliance (ISM Code)	✓	✓		✓		✓
Mobile Offshore Drilling Unit Safety Certificate (resolution A.649)	✓	✓	✓			
Document of Compliance for Ships Carrying Dangerous Goods (SOLAS regulation II-2/19)	✓	✓	✓	✓		

✓ — authorized

+ — ACP vessels only

Revised: July 13, 2011

Note to table: Some classification societies are issuing statements of voluntary compliance to ships that are in compliance with the International Convention on the Control of Harmful Anti-fouling Systems on Ships, 2001, which went into force internationally in September 2008. Because the United States enacted implementing legislation in 2010 (Pub. L. 111-281, 124 Stat. 3023, 33 U.S.C. 3801 to 3857), we anticipate that classification societies will be issuing International Anti-fouling System (IAFS) Certificate in the near future.

b. Costs to Industry for Certificate of Inspection applications in the ACP.

Requirements in §8.440(b) are not calculated as a burden here as it involves the costs associated with the Application for Inspection of U.S. Vessel (Form CG-3752) or Application for Inspection of U.S. Vessel (New Construction)(Form CG-3752A), which are already accounted for in the collection costs under OMB 1625-0002, with all other vessel inspection and certification costs. Costs associated with the requirements of §8.440(c) -- information on the inspection status of the vessel in question that the Classification Society must provide the Coast Guard -- are calculated as a collection here.

After the vessel owner or operator has submitted the vessel for classification, plan review and inspection by a recognized Classification Society to determine compliance with international treaties and agreements, the Classification Society must submit the information to the Coast Guard before a Certificate of Inspection can be issued to the vessel owner or operator.

The Certificates of Inspection are valid for a period of five (5) years for tank vessels (§31.05-10), cargo and miscellaneous vessels (§91.01-10) and MODUs (§107.215(d)). The Certificate of Inspection (COI) is valid for only one (1) year for a passenger vessel (§71.25-1). Thus, to estimate the number of vessels submitted for classification, we looked at the number of applications for COIs annually. The Coast Guard estimates approximately 29 vessels annually that are either new-builds, or existing vessels enrolling for the first time in the ACP.

There are approximately 292 vessels currently enrolled in the ACP, one (1) of which is a passenger vessel. If 1/5 of the 292 vessels (58) that are not passenger vessels submit vessels for classification to the Classification Society annually (since their COI expiration date is once every five years), and the one (1) passenger vessel submits one COI every year (since their COI expiration date is annual), the number of vessels already in the ACP submitting a COI for classification each year is 59 (=58+1).

Therefore, the total number of vessels the Classification Societies that must submit information on annually is 88 (= 59 + 29).

The burden for reporting the information is therefore approximately 176 hours per year (88 vessels x 2 hours processing).

The cost to industry will be \$15,840 per year (\$90/hour<sup>1</sup> wage rate x 88 vessels x 2 hours processing).

13. Annual respondent cost estimate.

There are no capital, start-up or maintenance costs associated with this information collection.

14. Annual Federal government cost estimate.

Government costs are estimated by calculating the time involved in the Coast Guard officers' reviews of the Classification Society information on the vessel applying for a COI. An officer of O-3 wage rate generally inspects the Classification Society printout. Therefore the Coast Guard expects that processing the 88 printouts will be \$6,336 per year (88 vessels x \$72 per hour<sup>2</sup> x 1 hour review).

15. Reasons for change in burden.

The change in burden is an ADJUSTMENT, due to a decrease in the annual number of vessels electing to voluntarily participate in the ACP. There is no proposed change to the reporting or recordkeeping requirements of this collection. The reporting and recordkeeping requirements, and the methodology for calculating burden, remain unchanged.

16. Plans for tabulation, statistical analysis and publication.

This information collection will not be published for statistical purposes.

17. Approval for not explaining the expiration date for OMB approval.

The Coast Guard will display the expiration date for OMB approval of this information collection.

18. Exception to the certification statement.

The Coast Guard does not request an exception to the certification of this information collection.

**B. Collection of Information Employing Statistical Methods.**

This information collection does not employ statistical methods.

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<sup>1</sup> This is the equivalent of an O-3 Coast Guard personnel out of government rate per Enclosure (2) to COMDTINST 7310.1M.

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