

**Supporting Statement  
for  
Audit Reports under the International Safety Management Code**

OMB No.: 1625-0084  
COLLECTION INSTRUMENTS: None

**A. Justification**

1) Circumstances that make the collection of information necessary.

The International Safety Management (ISM) Code applies to U.S. vessels subject to the International Convention for the Safety of Life at Sea, as amended (SOLAS 74/88). It requires that U.S. shipping companies and their vessels possess a Document of Compliance (DOC) and Safety Management Certificates (SMC) respectively, as outlined in the ISM Code. Information showing the compliance status of U.S. vessels in international trade must be provided to the Coast Guard by Recognized Organizations. Certain classification societies possess this recognition under 46 CFR Part 2 and Part 8. The statutory authority for the requirement is in 46 U.S. Code 3203. The regulations are in 33 CFR Part 96.

This information collection supports the following strategic goals:

Department of Homeland Security

- Prevention
- Protection

Coast Guard

- Maritime Safety
- Protection of the Natural Resources

Prevention Policy & Response Policy Directorates (CG-5P & CG-5R)

- 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.

Information describing companies' and vessels' compliance with the ISM Code must be verified by the Coast Guard through an audit and its corresponding report. Information must be collected to determine the compliance status of U.S. vessels, subject to SOLAS 74/88, engaged in international trade. Ongoing audits of vessels' and companies' safety management systems which impact the SMC and DOC status are conducted by organizations recognized by the Coast Guard. Authorized classification societies perform audits of vessels and reports are generated as the auditor inputs the relevant information into their laptop. These audit reports are later uploaded to the Societies' databases and the information is made available for retrieval by the Coast Guard.

Collecting the information ensures that vessels remain in substantial compliance with the international conventions to which the United States is signatory and will not be delayed or detained while conducting international commerce. When visiting foreign ports, these certificates attest that the vessel meets applicable requirements of Chapter IX of SOLAS 74/88 to the satisfaction of the organization recognized by the Coast Guard to issue ISM certificates. Without compliance, American flag ships could be detained in foreign ports. Unless sooner returned or revoked, these certificates are valid for five years. "Interim" SMCs and DOCs are valid for six months and 12 months respectively. Interim certificates may be issued to companies/vessels that are new or newly acquired. Collection is necessary when the status of the certificate changes.

3) Consideration of the use of improved information technology.

The classification societies have implemented a system of reporting and recordkeeping which is done electronically. At this time we<sup>1</sup> estimate that 100% of the responses are collected electronically. Classification society auditors upload the information as they perform the audits. For example, online access to the audit reports performed by ABS is done by logging onto the ABS website at <http://www.eagle.org> and clicking on the link marked "My Eagle Login". The electronic database which has been implemented, allows the Coast Guard online access to classification societies' reports and recordkeeping. Audit reports are not submitted directly to the Coast Guard, rather uploaded to Societies' internal databases. These reports are made available to the Coast Guard and are retrieved on a periodic basis for review.

4) Efforts to identify duplication.

The Coast Guard established specific criteria for organizations to be recognized to act on our behalf. Close contact and continuous communication with these organizations ensures that no duplication occurs.

5) Methods to minimize the burden 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 current information, the possibility of vessels being delayed or operating under unsafe conditions increases.

7) Special collection 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 (See [USCG-2016-0896], November 29, 2016, 81 FR 85991) and 30-Day Notice (July 19, 2017, 82 FR 33141) were published in the Federal Register to obtain public comment on this collection. The Coast Guard has not received any comments on this information collection.

9) Provide any payments or gifts to respondents.

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

10) Describe any assurance of confidentiality provided to respondents.

There are no assurances of confidentiality provided to the respondents for this information collection. This information collection request is covered by the Marine Information for Safety and Law Enforcement (MISLE) Privacy Impact Assessment (PIA) and System of Records Notice (SORN). Links to the MISLE PIA and SORN are provided below:

- [https://www.dhs.gov/sites/default/files/publications/privacy\\_pia\\_uscg\\_misle.pdf](https://www.dhs.gov/sites/default/files/publications/privacy_pia_uscg_misle.pdf)
- <https://www.gpo.gov/fdsys/pkg/FR-2009-06-25/html/E9-14906.htm>

11) Additional justification for any questions of a sensitive nature.

There are no issues of a sensitive nature involved in this information collection.

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<sup>1</sup> The term "we" refers to the Coast Guard.

12) Estimates of annual hour and cost burdens to respondents.

- The estimated number of annual respondents is 390.
- The estimated number of annual responses is 3,204.
- The estimated hour burden is 10,221 hours.
- The estimated cost burden is \$906,617.

The burden to respondents is provided in Appendix A. All wage rates used are in accordance with the current edition of COMDTINST 7310.1(series) for "Out-Government" personnel.

The reporting and recordkeeping burden will be imposed only on those vessels required to comply with the ISM Code. The specific recordkeeping requirements in the ISM Code are an international standard. The regulations themselves prescribe no additional recordkeeping on the companies or classification societies. The estimated reporting information was obtained from the MISLE database. The frequency of response varies since the requirements are based on parameters established in individual safety management systems. Also, the complexity of the Safety Management System (SMS) is based on the type and number of vessels operated.

Companies must use classification societies to attain the required ISM certificates. Hence, the number of annual respondents is comprised of the companies that own the vessels subject to the International Convention for the Safety of Life at Sea, as amended (SOLAS 74/88), and the classification societies that the Coast Guard recognizes to act on our behalf.

Each company and each vessel must have a SMS and should be internally audited once per year to verify whether safety and pollution-prevention activities comply with the SMS. These audits are reviewed by appropriate management personnel to ensure the results of the audits are brought to the attention of all personnel having responsibilities in the involved areas and that timely corrective actions can be made.

Classification societies also perform verification audits on the validity of a company's DOC as well as a vessel's SMC. Company verification audits are performed annually and vessels audits occur twice in five years. During the annual company audits, classification societies process and update company SMS vessel audit reports.

We estimate that it takes about four (4.0) hours to document a SMS audit for a company and five (5.0) hours to document a SMS audit for a vessel and that the tasks are done by a technical specialist. The position of a technical specialist is equivalent to a Lieutenant (O-3).

We estimate that it takes two (2.0) hours for a classification society to process the vessel audit information and that the task is done by an administrative specialist. The position of an administrative specialist is equivalent to an E-3.

We estimate that it takes about two (2.0) hours for a classification society to verify the audit of a company or vessel and that the task is done by a shore side specialist. The position of a shore side specialist is equivalent to an E-5.

13) Total annualized capital and start-up costs.

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

14) Estimates of annualized Federal Government costs.

The estimated annual Federal Government cost is \$96,876 (see Appendix B). We estimate that it takes about two (2.0) hours to review a vessel SMS audit and one (1.0) hour per company SMS audit, a task typically performed by a Lieutenant (O-3). The wage rate used is in accordance with the current edition of COMDTINST 7310.1(series) for "In-Government" personnel.

15) Reasons for the change in burden.

The change in burden is an ADJUSTMENT due to change (i.e., decrease) in the estimated annual number of responses. There is no proposed change to the reporting and recordkeeping requirements of this collection. The reporting and recordkeeping requirements 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) Explain each 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.