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Briefing to CTRF 2022

Strengthening U.S. Coast Guard  
Oversight and Support of Recognized  
Organizations:  
The Case of the Alternative Compliance Program

June 15, 2022

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Committee on U.S. Coast Guard Oversight of  
Recognized Organizations

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## Why the Study

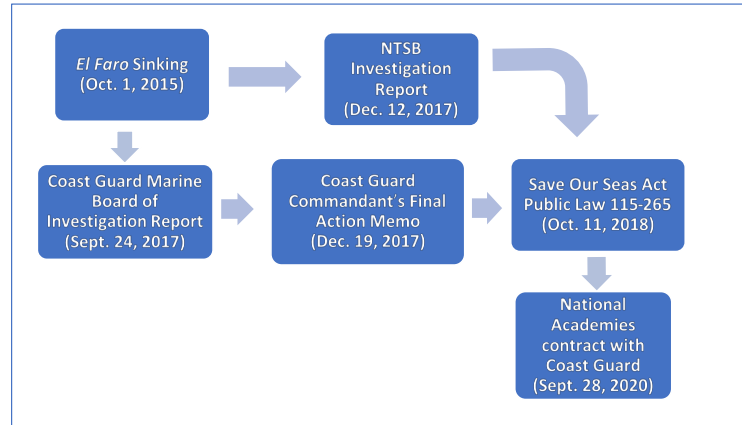


FIGURE 1-1 Timeline of events leading up to the study request.

NOTE: NTSB = National Transportation Safety Board.

## Statement of Task

... the committee will assess the Coast Guard's actions to oversee, guide, monitor, assess, and otherwise strengthen the performance of ROs in carrying out their delegated statutory certifications and other services. Consideration will be given to changes that have been made, or that are planned, in areas such as institutional and organizational structures; roles and responsibilities, policies and procedures; guidance and compliance documents; data and analytic systems; training; communications; and performance reporting.

...compare the main features of the Coast Guard's oversight program with those of the oversight programs of other regulatory agencies that delegate regulatory or statutory authority to third parties from both the transportation and non-transportation domains. To the extent that sufficient data are available, the committee will benchmark the Coast Guard's program with other programs.

## Statement of Task (cont.)

...consider the effectiveness of the Coast Guard's RO oversight program and identify needs and potential opportunities to strengthen it. In identifying these needs and opportunities, the committee will, as a minimum, consider:

- The Coast Guard's marine inspection **workforce's** size, training, competency levels, and qualifications for conducting **RO oversight**;
- The degree of **data analysis and sharing** among the Coast Guard and ROs, including the integration of RO data into Coast Guard decisionmaking processes concerning the RO and/or the vessels the RO performs work on behalf of the Coast Guard;
- The **functionality, usability, and utility** of the Coast Guard vessel inspection database [Marine Information System for Safety and Law Enforcement (**MISLE**)]; and
- The prospects for introducing a **more automated risk-based program** for the RO oversight program and associated vessels.

## What We Did

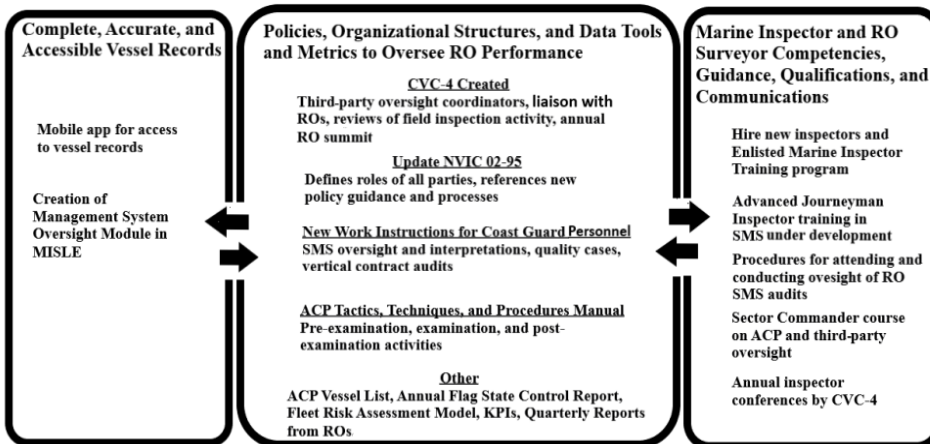
- Open meetings with Coast Guard, shipowners, ROs, Marshall Is., other country oversight agencies (EMSA [EU], Transport Canada, ...)
- Written submissions from Coast Guard, Australia, ClassNK
- Explored the public vessel database; requested and received a MISLE data pull
- Requested and received detailed work force data, staffing model

## Outline of Report

### Summary

1. Introduction
  2. Background of the U.S. Flag Fleet and the Alternative Compliance Program Technical Oversight Program
  3. Coast Guard Actions to Support and Oversee Recognized Organizations and the Alternative Compliance Program
  4. Data, Metrics, and Risk-Informed Tools for Compliance Verification and Oversight of Recognized Organizations
  5. The Coast Guard Workforce for Alternative Compliance Program Support and Oversight
  6. Delegations and Oversight by Foreign Maritime Administrations and Other U.S. Safety Regulatory Agencies
  7. Building and Sustaining a Safety Partnership
- Appendix: Study Committee Biographical Information

## Coast Guard Actions Since 2017



## Our Assessment of Vessel Compliance Verification and RO Oversight

- Data-driven and risk-based approach to overseeing ROs is **not keeping pace** with organizational and procedural oversight framework.
- **MISLE data system is not suited** to support vessel compliance verifications
- Upgrade or replacement of MISLE unlikely in near- or medium-term
- In near-term, use information in MISLE, relevant RO data, other sources, and **collaborate with ROs to create database external to MISLE**
- Currently reported **KPIs have limited relevance** to RO performance
- Absent better data systems and tools for analysis, **intentions to be more risk based and data driven less likely to be met**

## Building a Database for Vessel Compliance Verification and RO Oversight

**Recommendation 1:** In the near term, the Coast Guard should **collaborate with ROs and vessel owners to develop and execute a plan to share and validate information** for the purpose of ensuring that records derived from MISLE of vessels and vessel owners who use RO services are complete, accurate, and current with respect to compliance history. The augmented records should be scrubbed of sensitive information and extracted from MISLE so they can be made available to RO surveyors and auditors in addition to marine inspectors.

- **Structured to meet CVC-4's need for calculating KPIs and data analysis**

**Recommendation 2:** While collaborating with ROs and vessel owners on means of supplementing, validating, and enabling greater access to relevant MISLE records, the Coast Guard and ROs should **work together on the development of KPIs** that are most relevant to monitoring and overseeing the performance of ROs.

- While MISLE data will limit the quality of KPIs developed, collaboration with ROs and vessel owners could provide **valuable insight** as to the kinds of data and system capabilities that will be needed.

## Building a Database for Vessel Compliance Verification and RO Oversight (cont.)

**Recommendation 3:** Congress should resource the development and implementation of a stand-alone data system, fully **external to MISLE**, that is exclusive to the purpose of **supporting compliance verification and RO performance and oversight**. ROs should be engaged during the database's planning—such as through a **Coast Guard and RO database/information technology working group**—to ensure that the database's design, elements, and functional capabilities align with the needs of Coast Guard inspectors, other marine safety personnel, and RO surveyors and auditors.

- **Short-term fix**, to start soon

**Recommendation 4:** Although it may take many years to bring about, **the replacement of MISLE with a new, modernized data system should be a high priority** for the Coast Guard to more fully support the work of marine inspectors and ROs and to monitor and oversee their performance.

- Important that **needs of all stakeholders are met**;
- Role of **external analysis and transparency**

## Our Assessment of Strengthening and Supporting the Work of Marine Inspectors

- Concerns about guidance and resources available to Coast Guard were raised after EL FARO investigation but **Coast Guard has taken important steps** to address these concerns:
  - Creation of CVC-4
  - New work instructions and tools
  - New training courses relevant to ACP and 3<sup>rd</sup> party oversight
  - Third-party organization coordinators
- However, **opportunities remain to strengthen marine safety workforce**:
  - Monitor the competencies of marine safety personnel to determine where improvements are needed
  - Provide adequate guidance on career progression paths for marine inspection
  - Ensure that inspectors have sufficient knowledge of SMS principles

## Strengthening and Supporting the Work of Marine Inspectors

- **Recommendation 5: The Coast Guard should consider establishing a standardization team**, modeled after similar teams in other Coast Guard domains, that visits marine inspection field units on a regular basis to assess inspector competencies, the consistency in following work instructions and protocols, and the quality of inspections.
  - Provide feedback and inform training programs
  - Augment traveling inspectors

## Strengthening and Supporting the Work of Marine Inspectors (cont.)

- **Recommendation 6: The Coast Guard should review its current career path progression guidance for Operations Ashore Prevention Officers**, which was introduced before the El Faro investigations, with an eye to whether the guidance is being followed by sufficient numbers of junior officers, provides opportunities to master the marine inspection specialties, and ensures that mastery of those specialties provides ample career advancement opportunities in the prevention field, including relevant leadership positions such as OCMI.
  - **OCMIs should have marine inspection expertise**, especially for assignments in the country's largest commercial and feeder ports
  - **Ensure that marine inspection career pathways exist, are attractive, and are being pursued by officers** qualified for these assignments

## Strengthening and Supporting the Work of Marine Inspectors (cont.)

- **Recommendation 7:** The Coast Guard should ensure that all marine inspectors have sufficient understanding of the purpose and components of an SMS and how adherence to it should be evident during an inspection. Senior inspectors should have a strong understanding of how an RO conducts an SMS compliance audit to allow them to know when deficiencies and nonconformities observed during vessel inspections and oversight examinations may be indicative of substandard RO performance and warrant referral to the Flag State Control Division (CVC-4) and third-party organization coordinators.
  - Coast Guard's oversight of the RO's SMS audit function must be robust and comprehensive
  - Inspectors should have sufficient awareness and understanding to observe compliance

## Cooperation, Communications, Transparency, and Continuous Learning

- **Promise of ACP:** leverage a well-trained and experienced RO workforce to achieve higher levels of vessel compliance and safety performance. Strengthening this partnership is an important aim of the oversight program.
- While *El Faro* investigations revealed missteps in its partnership with ROs, the Coast Guard has taken steps since then to strengthen its support, monitoring, and oversight of ROs (e.g., single U.S. Supplement, reestablishment of liaison arrangements, etc.).
- However, there is less evidence of communicating and sharing data on vessel inspections and compliance histories between marine inspectors and RO surveyors.
- The development and use of key indicators of RO performance have been hampered by data inadequacies.
- Once data issues are resolved, it is important for Coast Guard to make its KPIs and risk-informed methods public—Transparency is vital to harnessing the capacity of all parties, and to drive continual improvements in the metrics and tools needed.
- Take stock as to whether its new organizational and procedural framework for RO oversight is being implemented in a manner that reinforces a safety partnership.



## Cooperation, Communications, Transparency, and Continuous Learning (cont.)

- **Recommendation 8: With the intent of fostering continuous improvement and greater transparency, the Coast Guard should build on its current practice of conferring with ROs, shipping companies, and other flag-state regimes.** Regular, periodic meetings with these groups should be arranged to communicate ideas and concerns and, where practical, share approaches to KPI assessment, flag-state inspections, and RO oversight.
  - **Ultimate responsibility for safety rests with the vessel owner** and cannot be delegated.
  - To achieve desired safety outcomes, need for high-quality inspections and audits.
  - The Coast Guard's **commitment to meeting this need has been commendable; but to sustain it and make it more comprehensive and complete, Coast Guard will need to leverage other parts of its enterprise.**



What can  
Canada learn?  
  
Other questions?

Report is available for download at:  
<https://www.trb.org/Publications/Blurbs/182633.aspx>