

CLIENT ALERT: U.S.C.G. SEEKS PUBLIC COMMENT ON POSSIBLE S.M.S. REGULATION FOR U.S. FLAGGED PASSENGER VESSELS

January 27, 2021

On Friday, January 15, 2021, the United States Coast Guard published an advanced notice of proposed rulemaking which seeks public comment on the “feasibility, applicability and nature” of a rule which would require all domestic passenger vessels to create, implement, and maintain a Safety Management System, or “SMS.” A SMS is a set of documented procedures used to effectively implement a company’s safety and environmental policies, which can include vessel management, operation, and maintenance, reporting of accidents, conducting internal audits, responding to incidents, and more.

The U.S.C.G. recognizes that vessel operators are in the best position to identify certain risks associated with company-specific policies and operations, and therefore, the proposed SMS regulation would eliminate the need for additional regulation by allowing companies to tailor the SMS to meet their needs. The U.S.C.G. is looking for public comment on a number of issues, including whether existing regulations can be eliminated by the implementation of an overarching SMS rule, whether the SMS rule should cover multiple, similar vessels in a fleet or should be vessel-specific, and whether the proposed rule would have a significant economic impact.

If you have any questions regarding the proposed SMS rule, please contact Daniel J. Fitzgerald at fitzgerald@freehill.com, and Kathleen M. O’Brien at obrien@freehill.com. For more information on the U.S.C.G.’s advanced notice and the full list of requested public comments, please use the following link: <https://www.federalregister.gov/d/2021-00804>

This Client Alert is only a general summary for informational purposes. It and its content are not intended to be and should not be used or construed as legal advice. Readers should seek specific legal advice before acting with regard to the subjects mentioned herein.

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