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Brian S. Bailey  
Director – Safety & Environmental Stewardship

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MEMORANDUM

TO: Responsible Carrier Program® (RCP) Third-Party Auditing Organizations:  
American Bureau of Shipping (ABS)  
American Global Maritime, Inc.  
ClassNK America  
Lloyd's Register North America, Inc.  
Sabine Surveyors, Ltd.  
Towing Vessel Inspection Bureau (TVIB)

FROM: Brian S. Bailey

CC: Tom Allegretti

RE: Policy for Non-RCP/ISM Code Safety Management Systems

Please be advised that this correspondence is sent on behalf of the Responsible Carrier Program® Standards Board of The American Waterways Operators (AWO) to advise its recognized third-party auditing organizations (TPOs) on a new policy regarding members' usage of a safety management system (SMS) that is neither RCP nor International Safety Management (ISM) Code.

The role of the RCP Standards Board is to make recommendations to the AWO Board of Directors on changes to the RCP, the audit process, oversight of AWO-recognized third party organizations, and applications from organizations seeking to become AWO-recognized third party organizations. Furthermore, per RCP Addendum E.4, it "has the authority to issue Clarifications and Directives Memoranda, as needed, to guide RCP interpretation by AWO-recognized third party organizations."

At its October 2017 meeting, the AWO Board of Directors reaffirmed the longstanding requirement of the *AWO Constitution and Bylaws* that carrier members must maintain third-party audited compliance with a safety management system as a condition of AWO membership. While a company is free to choose the U.S. Coast Guard option – in actuality, just an inspection on a particular day – as a means of compliance with Subchapter M (46 CFR § 136-144), a company must still maintain third-party audited compliance with the RCP or an equivalent SMS in order to be eligible for membership in AWO.

AWO currently allows members to employ ISM Code compliance as a means to satisfy the RCP condition of membership requirement, provided that the company demonstrates compliance with the RCP requirements that exceed the requirements of the ISM Code. Since the publication of Subchapter M, various AWO members have expressed interest in utilizing a SMS of their own design that is neither RCP nor ISM Code. The Board agreed that a company's SMS may be used to satisfy the AWO condition of membership requirement, provided that the company has a gap analysis conducted by an AWO-recognized and U.S. Coast Guard-approved third-party organization, and that any RCP requirements which are not included in the company's SMS, are identified and audited accordingly.

The RCP Standards Board has developed the following process, endorsed by the AWO Executive Committee, to provide further information on this new option for satisfying the AWO membership requirements:

A company wishing to utilize an SMS that is not RCP or ISM Code must ensure that its SMS include all requirements unique to the RCP, thus establishing a TPO verifiable equivalency.

- a) A company wishing to use a non-RCP/ISM Code SMS to meet AWO's requirement that all members of the association must have an SMS must, at the time of application for AWO membership or whenever they choose to utilize or transition to said SMS, send a letter (hardcopy or e-mail) to the AWO Safety & Environmental Stewardship Department stating their full compliance with their company's SMS.
- b) Within 90 days of the date of the aforementioned letter, the company's TPO of record must then conduct an appropriate gap analysis to identify components absent from a company's SMS which are in fact part of the RCP. Only after such a gap analysis, which analyzes the company's SMS and identifies – and ensures their inclusion in the company's SMS – those additional components in the RCP not found in the company's SMS, would the TPO confirm via letter (hardcopy or e-mail) to the AWO Safety & Environmental Stewardship Department the company's SMS' equivalency to the RCP.
- c) The company will, at a minimum, follow the external management auditing schedule that operates on a five-year certification cycle with a mid-period audit between the 27-33 months of the certification. All vessels must, at a minimum, be audited at least once every five years.
- d) In order to exercise its oversight role over and ensure the enduring integrity of the RCP, the Standards Board reserves the right to review a company's non-RCP/ISM Code SMS, to confirm the equivalency of a company's SMS with the RCP.

Thank you for your attention to this matter. Please do not hesitate to contact me if you have any questions or concerns.