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May 20, 2019

MEMORANDUM

TO: AWO Carrier Members
AWO-Recognized Third-Party Organizations

FROM: Brian S. Bailey

CC: Tom Allegretti

RE: 2015 Audit Transition Requirements for TSMS Option Vessels

Please be advised that this correspondence is sent on behalf of the Responsible Carrier Program® Standards Board of the American Waterways Operators to clarify requirements for AWO members utilizing the RCP as the basis of their initial Towing Safety Management System Certificate and opting to align their RCP certification date, and subsequent five-year timeframe, with their TSMS certification date.

In June 2015, AWO released a memorandum (Appendix A) outlining an audit transition plan for AWO members implementing Board-approved changes to the RCP to ensure its acceptance by the Coast Guard as an existing TSMS under Subchapter M.

The RCP Standards Board recognizes that if an AWO member company has selected the TSMS option for its fleet of vessels and aligned its vessels' RCP management and vessel audit due dates with the date of the vessels' TSMS certificate as per the RCP Standards Board memorandum (Appendix B) dated November 17, 2017 (subsequently revised on May 1, 2018 and May 1, 2019), the audit transition plan outlined in the initial June 2015 memorandum would conflict with those dates and therefore is no longer applicable. By aligning a company's RCP audit certification date with the five-year audit schedule dictated by the company's TSMS certificate, the company's vessels audit dates are reset in accordance with the vessel's TSMS certificate, which requires 100 percent of vessel audits to be completed five-years from the date of the TSMS certificate's issuance.

Companies choosing not to align their vessel's RCP audit cycles with their vessel's TSMS certificate issuance dates are subject to the audit schedule laid out in the original June 2015 memorandum.

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

June 10, 2015

MEMORANDUM

TO: AWO Members

FROM: Tom Allegretti

RE: Implementation of Changes to the Responsible Carrier Program

Last October, the AWO Board of Directors approved changes to the Responsible Carrier Program to ensure its acceptance by the Coast Guard as a Towing Safety Management System under Subchapter M. Last week we received confirmation from the Coast Guard that the changes to the RCP position the agency to formally accept the RCP as a TSMS when the towing vessel inspection regulations are published. The Coast Guard commended the AWO Board and membership for its commitment to safety leadership and continuous improvement of the RCP.

Implementation of the Board-approved changes to the RCP by all AWO members will be essential to the smooth implementation of Subchapter M. **On May 22, at the recommendation of the RCP Standards Board, the AWO Board set January 1, 2016, as the effective date for the changes.** With that date fast approaching, I ask you to read this memorandum carefully so that you understand what is required and when.

The changes and additions to the RCP include the following:

- Changes to Internal and External Audit Frequency and Procedures
 - o External Audits will be required once in five years for *each* vessel, twice in five years for the management audit
 - o Internal Audits will be required yearly for management and each vessel
- Changes to Internal Audit Procedures include requirements for the audits, training and qualifications of auditors, type and frequency of audits, reporting and addressing non-conformities
- Near-miss Reporting/Lessons Learned and Corrective Actions program
 - o Will require a documented near-miss policy and procedures
 - o Changes for clarification of requirements for corrective actions in both internal and external audits
- Risk Assessment
 - o Procedures will be required to assess and manage risks to personnel, vessels and the environment

- Identification of Critical or Essential Equipment/Systems
 - o Incorporating a definition of essential equipment and systems and requirements and procedures related to them
- Authority of the master, crew and shoreside personnel
 - o More detailed description of the responsibility and authority of the Master in complying with the SMS and all applicable regulations as well as reporting any unsafe conditions
 - o Clarification of requirements for the Designated Person Ashore
- Addition of Document Control procedures
- Tracking of number and volume of spills in performance measurement requirements

One of the most significant approved changes is in the frequency of external audits and the number of towing vessels that must be audited. Currently, to maintain RCP compliance, a company must have management and vessel audits every three years, and the vessel audit is conducted on 10 percent of the towing vessels. Going forward, external management audits will be required twice in five years, and 100 percent of towing vessels must be audited once in five years. The transition to this new audit cycle is explained below.

Audit Transition Plan for Existing AWO Members

Members with RCP audit due dates in 2015 will be held to the current standard of 10 percent of their towing vessels audited for this year’s audit. Their next audit due date will be set for five years out, with 100 percent of their vessels audited by their 2020 due date, along with a midpoint management audit. Those companies that have already completed audits in 2015 will receive a letter revising their due date to 2020.

Members with due dates in 2016 and 2017 will be required to complete their management audit and audit 10 percent of their vessels by their current due date, and have 100 percent of their vessels audited by January 1, 2021. Their next regular audit due date will be five years from their 2016 or 2017 due date, including a mid-point management audit. We are recommending that members spread their vessel audits over the five-year period, having approximately 20 percent of their vessels audited each year.

Current due date	Next RCP Due Date	Mid-point management audit	Vessel audits
2015	2020	2017 or 2018	100 percent by 2020
2016	2021	2018 or 2019	10 percent by 2016; 100 percent by 1/1/2021
2017	2022	2019 or 2020	10 percent by 2017; 100 percent by 1/1/2021

Education and Information on the RCP Changes

AWO will be providing multiple learning opportunities to help all members understand the RCP changes and prepare to implement them smoothly.

To begin that process, we will hold an introductory webinar on the changes on June 19, at 3:00 p.m. EDT. This will be followed by a series of webinars over the next several months explaining each change in detail and providing implementation examples. Please plan to have someone from your company participate in these webinars.

Members can also learn more about the RCP transition at the Summer Meeting of the AWO Interregion and Coastal Safety Committees, scheduled for August 18-19 in Memphis. This meeting will contain a focused, interactive workshop geared to preparing AWO members for implementation of the RCP changes. This is an invaluable opportunity to learn from other members and share your own experiences.

Thank you for your attention to this important matter. If you have any questions, please contact Holly Riester at hriester@americanwaterways.com.

MEMORANDUM

TO: AWO-Recognized Third-Party Auditing Organizations

FROM: Brian S. Bailey

CC: Tom Allegretti

DATE: November 9, 2017

RE: Alignment of RCP Audit Due Dates and Subchapter M Compliance Dates

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) that AWO members utilizing the RCP as the basis for their initial Towing Safety Management System (TSMS) Certificate may opt to have their RCP certification date adjusted to the date a company's initial TSMS Certificate is issued, resulting in a new recertification date that is completely aligned with Subchapter M audit schedules.

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.”

Changing the RCP certification date to the date a company's TSMS Certificate is issued

Both the RCP (RCP II.G.2.a.1; RCP Addendum B.5) and Subchapter M's TSMS Certificate (46 CFR § 138.355(b)) operate on a five-year cycle and both require a mid-period external management audit be conducted by an approved TPO between the 27th and 33rd months of a five-year audit cycle (RCP II.G.2.a.1; 46 CFR § 138.315(b)(3)). AWO strongly encourages and thus is offering its member companies the opportunity to reset the start date of their five-year RCP certification to the date their initial TSMS Certificate is issued so that it aligns with their Subchapter M five-year timeframe.

The RCP Standards Board will entertain one-time requests by members that their RCP certification date be adjusted to the date of its initial TSMS Certificate issuance, so that they can align their RCP and Subchapter M audit schedules. For example: A member company that receives a five-year RCP certification in January 2017 will have a mid-period external

management audit window between March and September 2019 and a certification expiration of January 2022. However, that same company may have received its initial TSMS Certificate in June 2017, giving it a Subchapter M mid-period external management audit window of September 2019 to February 2020 and an expiration date of June 2022. The company, in an effort to avoid duplicative audits, may wish to align both of these cycles, thus creating an RCP/Subchapter M consolidated certificate date based upon the latter. Accordingly, the RCP Standards Board may grant permission for the company to restart its five-year RCP certification at the same time the company receives its initial TSMS Certificate.

Requests should be made by the AWO member representative and the company's respective TPO within 90 days of the issuance of its initial TSMS Certificate, and sent to the AWO Safety & Environmental Stewardship Department (via hard copy or email). If a company has already received its initial TSMS Certificate, the request must be made no later than July 1, 2019¹. The correspondence should explain the circumstances surrounding the request, and include a copy of the company's initial TSMS Certificate. The RCP Standards Board, through the AWO Safety & Environmental Stewardship Department, shall reply to requests within one business week. When a request for date alignment is granted, the RCP certification expiration date will be adjusted accordingly and a new RCP certificate issued within two business weeks.

Adjusting a company's internal audit schedule²

AWO is aware that just as external Subchapter M audits and RCP audits may not align and thus require alignment approval by the RCP Standards Board, internal audit dates for RCP compliance may conflict with Subchapter M timelines based on TSMS Certificate and Certificates of Inspections (COI) anniversary dates.

46 CFR § 138.310(a) requires that internal management audits must be conducted annually within three months of the anniversary date of the issuance of the TSMS certificate. Similarly, 46 CFR § 137.205(a)(1) and (3) require an annual external survey within three months of the anniversary date of the COI. Since the external vessel audit is expected to follow the annual survey this may be at odds with the current-audit schedule based on the member's RCP. If a company chooses an internal survey program, surveys under 46 CFR § 137.210 may be conducted over time within a one-year time frame.

Just as a company may request to align their RCP certification date with that of their initial TSMS Certificate issuance, companies may also reset their internal audit schedule to align with the TSMS Certificate and vessel COIs. Companies should include this request in writing when requesting the initial alignment.

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

¹ Originally, the deadline to request an RCP alignment with a TSMS Certificate issuance date was 90 days from the original release of this memorandum, or February 7, 2018. As of May 1, 2019, the RCP Standards Board extended the deadline for those companies already in possession of a TSMS Certificate to make this request until July 1, 2019.

² This section of the memorandum permitting companies to reset their internal audit schedule to align with their TSMS Certificate and vessel COIs was added as of May 1, 2018.