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## 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 27<sup>th</sup> and 33<sup>rd</sup> 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, 2019<sup>1</sup>. 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 schedule<sup>2</sup>

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.

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<sup>1</sup> 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.

<sup>2</sup> 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.