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U.S. Coast Guard
Docket Management Facility
(USCG-97-3198) - 21
Department of Transportation
Room PL-400 Seventh St. SW
Washington, D. C. 20590-0001

Re: Comments on USCG-97-3198-1 (w/extension USCG-1997-3198-11)

The following are comments on the specific questions the Coast Guard asked in the Federal Register request for comments:

1. Yes, Coastal Transportation is currently replacing vessels. Regardless of whether it does so by retrofitting used vessels or by constructing new ones, what course the Coast Guard takes regarding the tonnage issue will determine how such vessels are designed and built.

2. From Coastal's perspective, the advantage of an alternate measurement not dependent on tonnage reduction techniques to achieve needed thresholds is the ability to design and build vessels to maximize the stowage and carriage of revenue-producing cargoes. With the current system, Coastal's vessels carry extra steel weight instead of cargo. Tonnage reduction builds in inefficiencies, higher fuel cost, more maintenance and higher construction cost.

Conversely, the disadvantage with alternate tonnage may be the difficulty in achieving consistent, logical application of the regulations, such as manning, etc. If a ship owner opts for an alternate convention tonnage for building or retrofitting purposes, the applicable regulations then must be consistent in effect with the previous regulatory tonnage. If the regulations stay as they are, referencing tonnage with no differentiation between regulatory and convention, a company could find itself unable to economically operate its vessel because of the change to convention tonnage. We believe the advantages outweigh the disadvantages.

3. Identify all covered vessels by type; e.g., towing, fishing, small passenger, barge, tanker, cargo, etc. Solicit input from all operators by type of vessel to ascertain the largest example of each vessel type. Once the largest vessel of each type is located, compare the regulatory tonnage of that particular vessel to its convention tonnage. Example: If the largest ATA vessel measuring under 500-gross tons regulatory measures 2000 gross tons convention, one could conclude the minimum alternate

convention breakpoint would be at least 2000 tons. The Coast Guard then could add a "conversion" factor to establish a convention equivalent (as they did in the case of the OSV vessels) and arrive at the "new" alternate convention tonnage. Illustration:

ATA vessel <500 g.t. regulatory
Same vessel measures 2000 g.t. convention
Allow 3x for growth (similar to OSVs) = 6000 g.t. convention

Thus, as with OSVs, an ATA vessel under 6000 g.t. convention would be the equivalent of an ATA vessel under 500 g.t. regulatory.

Alternatively, the Coast Guard could identify all current tonnage thresholds in law or regulation, e.g., 75, 100, 150, 200 300, 500, 750, 1000, 1600, etc. Next, locate the largest vessel (both physically and convention tonnage) falling under each threshold, irrespective of type. Then employ the same methodology (convention tonnage times conversion factor equals new convention alternate tonnage equivalent) across the whole regulatory tonnage spectrum. Illustration:

15 g.t. regulatory = ? g.t. convention equivalent
75 g.t. regulatory = ? g.t. convention equivalent
100 g.t. regulatory = ? g.t. convention equivalent

4. After establishing alternate convention tonnages, applicable statutes and codes would need to be addressed. The least difficult way to address implementing the alternate tonnages from a statutory point of view would be to define new convention thresholds for existing regulatory thresholds in the definition sections of Titles 15, 19, 29, 33, 35, 46, 49 and 50 of the U.S. Code. Consistency should be maintained between the statutory alternate tonnage thresholds and the implementing regulations, which were based on old "regulatory" thresholds. Regulations written for regulatory tonnage unfortunately may not remain consistent in intent or logic when alternate convention tonnage is substituted for it in a regulation. For instance, the example cited in the rulemaking regarding the number of mates is flawed because the USCG is using a vessel's convention tonnage for application to the statute when in fact the statute was written for regulatory tonnage to be applied.

Assuming the Coast Guard establishes alternate convention thresholds for each vessel type, Coastal believes it will be necessary to produce a set of regulations specific to that vessel group. The alternative tonnage rulemaking in the case of the OSV vessel best illustrates this point. Without OSV specific regulations, most operators would not be able to operate their new vessels. The alternative to specific regulations would be to substitute convention tonnage for regulatory in the existing regulations, if the vessel is measured under convention tonnage. If a current regulation reads "...a vessel of not more than 500 gross tons.. .," it would then read ". . .a vessel of not more than 6000 gross tons.. ." if, for example, 500 regulatory is equivalent to 6000 convention in the

statute. In this case, the operator (depending on which tonnage measurement system they opt for) would read into the regulation whichever applicable equivalent tonnage applies.

5. An alternative to implementing alternate tonnages is by waiver. If a ship owner or builder can demonstrate to the Coast Guard that they can achieve a desired tonnage for a vessel using tonnage reduction, the USCG should acknowledge that fact and then document the vessel at that regulatory tonnage without putting such techniques into effect. Otherwise, the builder goes forward with that plan, spending money foolishly, and achieves the desired results. Unless the USCG changes the rules with respect to tonnage reduction, the game will go on--further bleeding life from the maritime industry. Other than by waiver, alternate reduction techniques should not be considered. The intent of the alternate tonnage is to do away with artificial tonnage reduction.

6. A threshold by vessel type is going to prove impossible--too many provisions in the C.F.R.s refer to no vessel type. Furthermore, there could exist a scenario where two identical vessels--one operating as an ATA vessel and the other an OSV--could end up with different alternate tonnage thresholds based solely on trade. The Coast Guard would find itself hard-pressed to justify this potential inequity.

7. This would be possible, but then the Coast Guard may find itself doing precisely what it is trying to avoid: dealing with vessels with two sets of tonnages.

When this is finally resolved, operators (such as Coastal Transportation) and the Coast Guard will be able to focus limited resources and energy on more productive activities such as safety and operations.

Sincerely,

Tim Shaffer
General Manager

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