

## Why GAO Did This Study

In October 2015, the U.S. cargo vessel *EL FARO* sank after encountering heavy seas and winds from Hurricane Joaquin, killing all 33 crew members. Subsequent investigations cited deficiencies in the vessel's SMS plans as a factor that may have contributed to the vessel's sinking. Some in Congress have raised questions about the effectiveness of vessel SMS plans and the Coast Guard's oversight of third parties responsible for ensuring vessels comply with international standards and federal regulations.

The Hamm Alert Maritime Safety Act of 2018 included a provision for GAO to review Coast Guard oversight and enforcement of vessel SMS plans. Accordingly, this report addresses (1) how the Coast Guard (a) verifies domestic commercial vessels' SMS plans comply with federal regulations and (b) conducts oversight of ROs, and (2) the extent to which domestic vessels' SMS plans identify potential shipboard emergencies and include applicable response procedures.

To address these objectives, GAO reviewed Coast Guard regulations and guidance, accompanied marine inspectors on vessel inspections and audits, and analyzed available data on identified vessel deficiencies. GAO also reviewed the format and content of a nongeneralizable sample of 12 SMS plans representing various types of vessels and interviewed relevant Coast Guard and RO officials.

View [GAO-20-459](#). For more information, contact Nathan Anderson at (206) 287-4804 or [AndersonN@gao.gov](mailto:AndersonN@gao.gov).

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## VESSEL SAFETY

### The Coast Guard Conducts Recurrent Inspections and Has Issued Guidance to Address Emergency Preparedness

#### What GAO Found

The Coast Guard verifies that domestic commercial vessels comply with safety management system (SMS) requirements through activities that include conducting annual inspections of applicable U.S.-flagged vessels. In practice, the Coast Guard delegates primary vessel SMS compliance activities to third party entities, called Recognized Organizations (ROs). Among their responsibilities, ROs coordinate with vessel operators to review SMS plans, issue applicable vessel certificates, and conduct SMS compliance audits at the company level and aboard each vessel. Because the Coast Guard relies on ROs to perform SMS certification services on its behalf, it has initiated a series of efforts to enhance its oversight of ROs since 2018. The efforts include:

- establishing a new group within the Coast Guard to monitor ROs,
- developing new SMS-related guidance and work instructions,
- increasing direct observations of ROs performing SMS audits,
- developing key performance indicators for assessing ROs, and
- requesting internal investigations for certain RO deficiencies.

It is too soon to assess the effectiveness of these efforts; however, GAO believes these are positive steps toward enhancing the Coast Guard's oversight of ROs.

#### A Coast Guard Marine Inspector Conducting a Vessel Inspection



Source: U.S. Coast Guard. | GAO-20-459

Each of the 12 domestic vessel SMS plans GAO reviewed include potential shipboard emergencies and applicable response procedures to address them. None of the plans address all 21 potential shipboard emergencies included in 2018 Coast Guard guidance. However, these 21 potential emergencies are not required to be included in SMS plans; rather, they are suggested as part of the 2018 guidance. Further, GAO found that the SMS plans may not address all potential shipboard emergencies because not all emergency scenarios are applicable for each type of vessel or geographical operating area. Also, vessel operators may still be in the process of revising their SMS plans to include additional emergency scenarios and applicable response procedures.