

# Small Vessel Waiver Application Instructions

It is now possible for certain foreign-built vessels, or vessels constructed at an unknown location, to gain a waiver of the U.S.-build requirement in order to conduct commercial passenger operations in the United States. However, some restrictions apply.

## Summary

In order to implement the law allowing for small passenger vessel waivers, a set of procedures has been established to expedite the waiver process. As part of the application procedure, MARAD requires:

- (1) A non-refundable \$500 application fee per waiver request.
- (2) A completed application (discussed below.)
- (3) A period of public notice, which will include the publication of your intended use of the vessel for a period of 30-days in the *Federal Register*.

After the public notice period MARAD will use all sources available to determine if the issuance of the waiver will cause an "undue adverse affect" on existing operators and shipbuilders. If we believe that providing a waiver would cause undue damage, we will not issue a waiver. Lastly, there is a review procedure and a waiver revocation process if it has been determined that there was fraud at the time of application.

Once a waiver is obtained, it becomes part of the vessel's documentation and stays with the vessel if it is sold.

## **BASIC ELIGIBILITY REQUIREMENTS**

There are some basic requirements for a vessel to qualify for a waiver under this program:

- a) The vessel must be at least three years old.
- b) There is no minimum size requirement. However, to obtain USCG documentation the vessel must be of at least 5 net tons as measured per federal regulations.
- c) The vessel, when in service, cannot commercially carry more than 12 passengers for hire. USCG requirements apply as well.
- d) The intended use must be to carry passengers only. Activities such as carriage of cargo, commercial fishing, towing, dredging and salvage do not qualify for this program. Sport fishing is permitted as long as the fish caught are not sold commercially.
- e) The vessel must be owned by a U.S.-Citizen.

The vessel must meet all other U.S. Coast Guard requirements before it can engage in commercial service. Once a waiver is received, and if the vessel is more than 5 net tons, the applicant should file for a coastwise trade endorsement for the passenger trade with the U.S. Coast Guard (USCG).

For information on meeting USCG requirements, please contact the Coast Guard's National Vessel Documentation Center on 1-800-799-8362.

**Important Notice:**

Marine diesel engines certified by the US Environmental Protection Agency as recreational engines are in some cases prohibited from being used for commercial purposes. To learn more about how the US Environmental Protection Agency's regulations may apply for your vessel, please visit EPA's Domestic Marine Diesel Engine Web Page ([EPA's Domestic Marine Diesel Engine Web Page](#)) or send an email to [complianceinfo@epa.gov](mailto:complianceinfo@epa.gov).

## **HOW TO MAKE APPLICATION**

While the application for this program (attached) can be sent by mail, we prefer that you apply via the Internet and pay the \$500 application fee online to expedite your application. The electronic application can be accessed from two locations.

1. From the MARAD Homepage at:

<https://maritime.dot.gov/ports/domestic-shipping/small-vessel-waiver-program>

Once you complete the application electronically, the system will send you a thank you message and direct you to the Pay.gov website where you can pay by credit card or ACH Bank Account Debit.

2. From the Department of Transportation's "do-it-yourself" electronic credit card payment center at:

<https://www.pay.gov/paygov/forms/formInstance.html?agencyFormId=1071542>.

If you would like to mail us an application, please email [Patricia.Hagerty@dot.gov](mailto:Patricia.Hagerty@dot.gov) or call (202)366-0903.

## **Application Instructions**

A brief description of the required information fields on the application form follows:

1. Name of the vessel: Please provide the name of the vessel as it is registered or documented.
2. Owner information: Complete owner information. Applications are only accepted by (or from organizations representing) the owner of the vessel.

3. Vessel official number (or HIN, or State No.): Provide the USCG documentation number for the requested vessel. If the vessel is not documented, provide some form of identification number such as a state registration number or hull identification number.
4. Base of Operations: Provide the location (city and state) where your vessel will be docked.
5. Date of vessel construction: Provide date of build. Vessels must be at least three (3) years old to be eligible for the waiver program.
6. Place of construction: State place of construction. If the vessel is of probable U.S.-build with insufficient construction documentation, please state “unknown” or “unknown, probable U.S.”
7. Type, Size, Capacity and Tonnage of the Vessel: Enter the type of vessel (catamaran, sailboat, motor vessel, etc.), size, passenger capacity, tonnage, and indicate how tonnage was measured. Remember, vessels must be of at least 5 net tons in order to meet the minimum size requirement for vessel documentation. However, the coastwise laws apply to vessels less than 5 net tons and MARAD provides waiver for these vessels too. Applicants may use the following measurement system to calculate net tonnage: USCG Application for Simplified Measurement Form USCG-5397 or OMB No: 1625-0022 for vessel 79' or less located here:  
[https://www.dco.uscg.mil/Portals/9/DCO%20Documents/Marine%20Safety%20Center/Tonnage/CG-5397\\_10-17.pdf?ver=2017-11-15-070703-783](https://www.dco.uscg.mil/Portals/9/DCO%20Documents/Marine%20Safety%20Center/Tonnage/CG-5397_10-17.pdf?ver=2017-11-15-070703-783)

For vessels 79' and above vessels are to be measured in accordance with 46 U.S.C. Chapter 143 and 46 CFR 69 measurement of vessels, the latter of which has specific instructions. If you have questions regarding how your vessels should be measured please contact the National Vessel Documentation Center at 1-800-799-8362.

8. Intended commercial use of the vessel: Tell us how you plan on using the vessel commercially. Use for commercial purposes other than for carrying passengers for hire is not permitted. Please also refer to “BASIC ELIGIBILITY REQUIREMENTS.”
9. Geographic region of intended operation and trade: Please note that each waiver is limited in geographic area. The Maritime Administration does not issue waivers for “all coasts”. In the geographic location space list, all states of intended operation (i.e., Florida, Georgia, etc.). We will not consider waivers for more than two coasts per application. For example, states on the east and west coast would be fine but east, west and gulf coast would not be acceptable.

10. A statement on the impact this waiver will have on other commercial passenger vessel operators, including a statement describing the operations of existing operators. MARAD will not issue a waiver if it will cause an undue adverse effect on a U.S. vessel operator in Domestic Trade.
  
11. A statement on the impact this waiver will have on U.S. shipyards. Similar to question 9 above, MARAD will not issue a waiver if it will cause an undue adverse effect on United States vessel builders. Note: we may use the following criteria to determine the effect on U.S. vessel builders: Whether a potentially affected U.S. vessel builder has a history of construction of similar vessels, or can demonstrate the capability and capacity and the fact it has taken definite steps to offer to build a similar vessel, for use in the same geographic region of the United States, as the proposed vessel of the applicant.

If applying by mail, enclose a non-refundable application fee for each waiver requested, in the form of a check or money order for \$500, payable to the order of "Maritime Administration".

Be advised that MARAD now has the authority to revoke a waiver if there is fraud at the time of application.

## **PROCESS**

Your waiver request will be published in the *Federal Register* as soon as practicable for a period of 30 days for public comment. It is MARAD's goal to make the waiver process as fast and efficient as possible. As a result, you should receive a decision from us on your waiver application within 30 days of the closing of the *Federal Register* announcement.

If you have questions concerning the application process please contact the MARAD Office of Cargo and Commercial Sealift at (202) 366-4610.