Passenger For Hire & Charter Vessel Operations

U.S. Flagged Vessels can:

1) Operate as a Recreational vessel (no paying passengers), limited to the number of passengers in accordance with the manufacture;

2) Operate as a chartered vessel with no crew provided, limited to 12 passengers + written (bareboat) charter contract (e.g. houseboats); meeting recreational vessel requirements; or

3) Carry up to 6 passengers for hire as an Uninspected Passenger Vessel (UPV) if less than 100 Gross Registered Tons (GRT); vessels greater than 100 GRT can carry up to 12 passengers. Motorized UPVs must be operated by a Master who minimally holds an Operator Uninspected Passenger Vessel (OUPV) license. Vessel must be U.S. built, if not it must have a MARAD waiver.

Charter (bareboat) Operation: A valid (bareboat) charter is an agreement where the charterer has use of the vessel for a period of time and is considered the owner. A charterer takes on the legal obligations, is responsible for the crew, passengers carried, and others.

Elements of a valid bareboat charter may include:

1) The charterer must have the option of selecting & paying crew, although the owner may require general levels of proficiency for the crew that is retained based on federal statutes;

2) The master/crew are paid by the charterer;

3) All food, fuel and stores are provided by the charterer;

4) Insurance is obtained by the charterer;

5) The charterer is responsible for the safe navigation of the vessel;

6) A platform for events that does not involve consideration, even when moored at the pier; and

7) The vessel is surveyed upon return to the owner.

Common Bareboat Charter Vessel Errors

1) A chartered vessel may NOT carry more than 12 passengers without a Certificate of Inspection (COI).

2) A chartered vessel may NOT carry more than 12 passengers while moored. A charter vessel is considered to be carrying "passengers" whether moored or underway. This includes a Boat Bed and Breakfast.

3) The owner of the vessel may NOT be the vessel master or part of the crew. The vessel owner is not allowed on board during a charter.

4) A bareboat charter contract may not provide or dictate a crew. The charterer must be able to select a crew and have the ability to discharge the crew.

5) The charterer is not considered a passenger, and there can only be one charterer, even though the vessel may be chartered by several individuals. In this case, one person would be considered the charterer and the rest would be counted as passengers.

6) Both U.S. flag and foreign vessels may be chartered. However, foreign flagged vessel cannot carry passengers for hire between U.S. ports and must be chartered and/or operate as a recreational vessel (per coastwise trade laws enforced by CBP). Foreign built vessels (including U.S. state numbered vessels) owned by U.S. citizens must meet coastwise trade rules before carrying passengers for hire (except if vessel is moored with passengers; refer to CPB and the MARAD small passenger vessel waiver program).
Boat Bed and Breakfast

Using a recreational vessel as a bed and breakfast in which the owner/operator/agent receives consideration for people to remain overnight onboard the vessel is a commercial operation.

These vessels are subject to Coast Guard rules and regulations. To conduct this operation in accordance with Federal statute, the owner/operator/agent can:

Operate as a Charter Vessel with no crew provided, limited to 12 passengers, written contract required (bareboat contract);

Operate as an Uninspected Passenger Vessel: less than 100 GRT (up to 6 passengers); greater than 100 GRT (up to 12 passengers). Vessel must be operated by a Master who holds an OUPV Merchant Mariner Credential and Coast Guard safety inspections may be required.

FINES - Failure to comply with Federal passenger vessel requirements constituting an illegal operation against the owner/operator/agent is subject to civil penalties up to $42,750 per operation per day.

Water Jet Devices (WJD) Hydroflight Devices (Jetpacks, Jetlevs™, Flyboards™, etc)

A water jet device is a hydro-powered apparatus operated above the surface of the water while connected to a personal watercraft (PWC) or other power source that supplies thrust to the WJD through a hose connecting the two devices.

A commercial passenger for hire involves a passenger riding the levitation portion who controls the directional movements and/or an operator controlling the thrust from the PWC or remotely via wireless control. The passenger riding the levitation device has provided economic benefit (consideration) to ride the device and is a passenger for hire as defined by 46 USC 2101.

Per 46 CFR 15.605 the operator of the PWC must minimally hold a Coast Guard-issued Operator, Uninspected Passenger Vessel (OUPV) license. Some OUPV license are “restricted” to a specific water body such as OUPV-Restricted for Mission Bay, San Diego CA.

Exceptions to passenger for hire operations:

(1) WJD is leased, rented or chartered to an individual for non-commercial, sole personal use (bareboat charter);

(2) WJD is operated by the owner for their personal non-commercial recreational use;

(3) WJD is used by the owner for demonstration purposes.
DEFINITIONS
Title 46 United States Code (USC) 2101,
46 Code of Federal Regulations (CFR) 175.400, 46 CFR 24.10

Small Passenger Vessel:
Means a vessel of less than 100 GRTs as measured under Section 14502 of 46 USC, or an alternate tonnage measured under Section 14302 of 46 USC as prescribed by the Secretary under section 14104 of 46 USC:
(A) carrying more than 6 passengers, including at least 1 passenger for hire;
(B) that is chartered with crew provided or specified by the owner or the owner's representative and carrying more than 6 passengers;
(C) that is chartered with no crew provided or specified by the owner's representative and carrying more than 12 passengers;
(D) that is a submersible or wing-inground craft, regardless of tonnage, carrying at least 1 passenger for hire; or
(E) that is a ferry carrying more than 6 passengers.

A Small Passenger Vessel is actively inspected by the USCG on a regular basis.

Uninspected Passenger Vessel:
Means an uninspected vessel:
(A) of at least 100 gross tons as measured under section 14502 of 46 USC, or an alternate tonnage measured under section 14302 of 46 USC as prescribed by the Secretary under section 14104 of 46 USC - (i) carrying not more than 12 passengers, including at least one passenger for hire; or (ii) that is chartered with crew provided or specified by the owner or the owner's representative and carrying not more than 12 passengers; or
(B) of less than 100 gross tons as measured under section 14502 of 46 USC, or an alternate tonnage measured under section 14302 of 46 USC as prescribed by the Secretary under section 14104 of 46 USC - (i) carrying not more than 6 passengers, including at least 1 passenger for hire; or (ii) that is chartered with crew provided or specified by the owner or the owner's representative and carrying not more than 6 passengers.

Passenger: Means an individual carried on a vessel, except:
(1) The owner or an individual representative of the owner, or in the case of a vessel under charter, an individual charterer or individual representative of the charterer;
(2) The Master; or
(3) A member of the crew engaged in the business of the vessel who has not contributed consideration for carriage and who is paid for on board services.

Passenger for Hire: Means a passenger for whom consideration is contributed as a condition of carriage on the vessel, whether directly or indirectly flowing to the owner, charterer, operator, agent, or any other person having an interest in the vessel.

Consideration: Means an economic benefit, inducement, right, or profit, including pecuniary payment accruing to an individual, person, or entity but not including a voluntary sharing of the actual expenses of the voyage by monetary contribution or donation of food, fuel, beverage, or other supplies.

Recreational Vessel: Means a vessel:
(A) Being manufactured or operated primarily for pleasure; or
(B) Leased, rented, or chartered to another for the latter's pleasure.

GRT: Gross Registered Tonnage

Vessel Info & Requirements, rev.2017
go to: www.uscg.mil/pvs
This pamphlet is intended solely as a general guide to assist the public in avoiding illegal passenger carriage and only applies on federal navigable waters. Always consult a USCG marine safety representative or admiralty lawyer for your unique circumstances. For state waters, contact your State boating law administrator

CONTACT:
U.S. Coast Guard
Sector Humboldt Bay * (707) 269-2563
Sector San Francisco * (415) 399-2040
Sector Los Angeles Long Beach * (310) 521-3777
Marine Safety Det. Santa Barbara * (805) 962-7430
Coast Guard clarifies requirements for bareboat charter operations

U.S. Coast Guard sent this bulletin at 06/23/2017 09:12 PM EDT

United States Coast Guard
U.S. Department of Homeland Security

News Release

Coast Guard clarifies requirements for bareboat charter operations

June 23, 2017
U.S. Coast Guard 8th District Heartland
Contact: Lt. Sean Haley
Office: (314) 269-2621
After Hours: (314) 704-9502

ST. LOUIS – The Coast Guard clarified certain requirements as it pertains to bareboat charter operations Friday afternoon to facilitate compliance with existing laws and regulations.

Specifically, when full possession and control of the vessel is not retained by a bareboat customer, then the Coast Guard is mandated by law to enforce vessel inspections, documentation, and crew credentialing requirements. See 46 U.S.C. § 2101; 8902-8903. Examples of non-compliance would include when a customer selects the owner of the vessel as the crew, then full possession and control of the vessel has presumptively not been passed to the customer. Additionally, when a customer selects a crew, other than the owner, and the owner or agent pays the crew, selects the crew, or has the authority to dismiss the crew for cause, full possession and control of the vessel has presumptively not been passed to the customer.

Those found in violation of these regulations are subject to civil penalties. See 46 U.S.C. § 3318, 8906.

"The Coast Guard will continue to interpret, apply and enforce applicable laws and regulations on the Heartland’s navigable waters, to include our lakes and rivers." said Captain Martin Malloy, Coast Guard, Officer in Charge, Marine Inspection.
Passenger Vessel Safety Program

Uninspected Passenger Vessel

Requirements | Am I Legal? | License | HydroFlight Devices

Generally, vessels (less than 100 gross regulatory tons) that carry 6 or fewer passengers for hire are referred to as Uninspected Passenger Vessels (UPV) or "6 pack" boats. UPVs are your typical fishing guides or tour boats that may use a state numbered boat. UPV operations traveling on navigable waters of the U.S. are not required to be actively inspected by the Coast Guard but must meet minimum federal requirements and the operator must hold (minimally) an Operator Uninspected Passenger Vessel (OUPV) license. Under Customs Coastwise law, vessels must be U.S. built.

The USCG and USCG Auxiliary provide courtesy UPV examinations and issue safety decals attesting to compliance with federal laws. These exams are free and no fault. Contact your local Coast Guard Sector Office.

Requirements ➔ UPV Examination Booklet Job Aid
+ Job Aid: UPV Under 100 GT - New - Revised requirements for AIS & electronic charts (11/2016)
+ Job Aid: Additional Requirements - UPV 100 GT and over, less than 300 GT*

*Editions prior to this revision included antiquated information and should be discarded.

Passengers for Hire
- Is my operation considered passengers for hire?
- What is a charter boat?
- Legal and illegal charters
- What kind of passenger vessel am I?
Handout | Guide | Illegal Passenger for Hire

https://www.uscg.mil/pvs/UPV.asp
Passenger Vessel Safety Program

Small Passenger Vessel

U. S. small passenger vessels (SPV) operating on navigable waterways of the United States are inspected for safety by the Coast Guard who also manages personnel licensing. Inspection information is provided below. Detailed information is available on USCG Homeport (Domestic Vessels) and USCG HQ Commercial Vessels, CG-CVC-1. Contact your local Officer in Charge of Marine Inspection (OCMI); see Homeport Port Directory.

Carrying 6 or fewer passengers for hire: Uninspected Passenger Vessels

Passenger for Hire and Charter Vessel Information:
Handout  |  Guide  |  Illegal Passenger for Hire

Ref.: USCG guidance NVIC 7-94

Do you want to start a new small passenger vessel business? See your local OCMI. Initial USCG SPV Certification Process

Passenger Vessel Requirement Guides Too
International Voyages

The International Small Passenger Vessel Guide is designed to assist in preparing a vessel operator in obtaining an International Safety of Life at Sea (SOLAS) Passenger Ship Safety Certificate (PSSC) to operate between the U.S. Virgin Islands and the British Virgin Islands, i.e. carrying more than 12 passengers. It can also be used by a vessel operating no more than 20 miles from land in another’s country’s waters. This document is not all-inclusive, nor is it intended to replace the regulations. You must always refer back to the U.S. and International Regulations to determine the exact requirements applicable to your vessel or operation. The guide and other related documents are located at USCG Homeport San Juan PR, Domestic Vessel Inspection Section.

SOLAS 2000 Amendments, regulation V/7.3 requires passenger ship operators to produce a Search and Rescue (SAR) plan based upon information for each vessel. The SAR plans will be made in accordance with the guidelines for co-operation between search and rescue services and passenger ships given in MSC/Circ. 1079, Simplified SAR Plan Template.

International Safety Management (ISM)

ISM applies to vessels inspected under 46 CFR Subchapter H, K and T that carry more than 12 passengers on an international voyage. See 33 CFR Part 96 Rules for the safe operation of vessels and safety management systems.

Passenger Vessels on a domestic voyage are encouraged to participate in the program. See the below extract for details on how the Voluntary ISM program applies to a domestic voyage. The Coast Guard has established an equivalent to ISM Code compliance for small passenger vessels certificated under subchapter T; of Title 46 CFR that must comply with the requirements of the ISM Code.

- Extract from 46 CFR 175.540 and MSM Volume II Chapter 3
- Instruction on how to tailor the ISM Manual Template
- Guide on how to use the ISM Manual
- ISM Manual Template
- Cover for ISM Manual
Stability

Final Rule - Passenger Weight & Inspected Vessel Stability Requirements [PDF]

Evaluation of Stability and Subdivision for Small passenger vessels inspected under 46 CFR Subchapter T.
- Do it yourself stability test
- Which type is your T-Boat
- NVIC 17-91 Guidelines for Conducting Stability Tests


Stream Line Inspection Program

The Streamlined Inspection Program (SIP) is a voluntary alternate method of inspecting a vessel to ensure regulatory compliance. The SIP may not be suited for every company. This program is intended for companies, regardless of size, which have an absolute commitment to safety and which employ capable and dedicated vessel operating personnel. For more details click on the below link to Homeport (Missions > Domestic Vessels > Vessel Inspection Programs > SIP).

- Streamlined Inspection Program