

TP 13585

MARINE SAFETY MANAGEMENT SYSTEM – TIER II

**GUIDANCE DOCUMENT ON THE
APPLICATION OF THE BOARD
OF STEAMSHIP INSPECTION
SCALE OF FEES**

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Purpose

This document is intended to provide direction on some of the fees payable in accordance with the *Board of Steamship Inspection Scale of Fees* regulations. This document is not intended to be a comprehensive guide to the regulations, and it will be updated should further direction be required.

General Provision on Billing the Applicable Fees

When applying the fees set under the *Board of Steamship Inspection Scale of Fees* regulations it is important to remember that several fees may be applicable for the same survey, inspection, service or visit to a vessel.

Accordingly, billings should reflect the sum of all applicable fees relating to an inspection, service or visit to a vessel.

Example:

For a periodical inspection that took place over the course of several days, and where the vessel received its Cargo Ship Safety Construction Certificate, Oil Pollution Prevention Certificate, Safe Manning Document, and Load Line Certificate, the following fees may be applicable:

- *Periodical Inspection fee (Sections 11 and 12)*
- *Oil Pollution Prevention (Section 31)*
- *Standby fee for Inspectors (Section 29)*
- *Issuance of a Safe Manning Document (Section 30, table item 4)*
- *Load Line survey fee (Sections 24 and 25)*
- *Examination, inspection or certification fee for each visit (Section 30, table item 12).*

Part I: General

Section 9: Inspections outside Canada

The fees payable for inspections outside Canada are the total of the following:

- the appropriate fee for each survey, inspection or service;
- the \$400 fee for each day (and partial day) beginning from when the inspector departs Canada until the day the inspector arrives back in Canada;
- the expenses payable (travel, accommodations and meals in accordance with Treasury Board guidelines).

Part II: First inspections, re-inspections and periodical inspections

Section 10: First inspection

The first inspection fee includes all inspections of a vessel that are required before an inspector may issue a vessel's first Safety Certificate, which can be a:

- Non-Passenger Ship Safety Certificate (Forms 85-0432 and 85-0433),
- Passenger Ship Safety Certificate (Forms 85-0431 and 85-0067), and
- Cargo Ship Safety Construction Certificate (Form 85-0145).

This means that regardless of the number of visits, the \$100 fee for each visit (table item 12, section 30) is not applicable to first inspections.

Similarly, the fees for inspections leading to the issuance of other certificates (that are required to be issued before the first Safety Certificate) are not applicable in a first inspection. However, the fees for all other services, including the \$500 standby fee related to inspector availability, are to be charged.

Sections 11 and 12: Periodical inspection

The periodical inspection fee is payable upon completion of the inspection. The annual, quadrennial, and quinquennial inspections are all distinct inspections, and the periodic inspection is payable upon the completion of each respective inspection.

For example, at an annual inspection the fee is payable once the Safety Certificate is issued. If the annual and quadrennial are completed concurrently, then the fee for each inspection is payable.

When an inspection takes longer than one day to complete, the periodical inspection fee is payable for the day the inspection is completed, and the minimum examination, inspection or certification \$100 fee (table item 12, section 30) is payable for each visit leading up to the day the inspection is completed.

Examples:

When a small fishing vessel undergoes its topside inspection and receives a Safety Certificate, short termed for dry-docking, the periodical inspection fee is payable. When the underwater inspection is completed at a later date and the safety certificate is extended to its full term, the \$100 extension fee (section 8) is payable in addition to the \$100 fee specified in section 30 (table item 12).

In the case of an inspection taking place over the course of more than one day, during dry-docking for example, the periodical inspection fee is payable upon completion of the inspection. The \$100 fee specified in section 30 (table item 12) is payable for each day a visit is made to the vessel leading up to the day the inspection is completed and the periodic inspection fee is applied.

Multiple Requirements

If a vessel is certified for two different operations - for example, a vessel receives both a Non-Passenger Ship Safety Certificate and a Passenger Ship Safety Certificate - the total fee payable is the sum of the fee shown in the table for Non-Passenger vessels and the fee shown in the table for Passenger vessels. Both fees are applicable because the vessel is being assessed for meeting two separate sets of requirements.

Part III: Inspection of non-Canadian ships

Section 14: General (Coasting trade)

The first inspection fee is payable the first time a vessel subject to the *Coasting Trade Act* is inspected by Transport Canada. The periodical inspection fee applies each subsequent time the vessel is inspected for the purposes of issuing a Letter of Compliance for Coasting Trade Licence. This includes inspections where an onboard inspection may not be carried out.

In the case of a Safety Convention vessel found in full compliance, and its period of operations is seven days or less, the inspection fee is reduced by 90 per cent. This reduction is applicable each time the vessel seeks a Letter of Compliance for Coasting Trade Licence, even within the same year, as long as the period of operations is seven days or less, and is not extended.

The balance of the periodical inspection fee is payable if Canada Border Services Agency or the Canadian Transportation Agency grants an extension of the period of operations beyond seven days and the Letter of Compliance for Coasting Trade Licence is extended accordingly.

Section 17: Authorization for clearance

A fee of \$1000 is payable for each visit made by an inspector where an inspection is required for the purpose of obtaining authorization for clearance for a non-Canadian vessel to proceed from anyplace in Canada.

For example, Transport Canada is notified that a required piece of equipment on a non-Canadian vessel is malfunctioning. The \$1000 authorization for clearance fee is payable for each visit made by the inspector for the purposes of obtaining the granting of authorization for clearance.

Part IV: Miscellaneous inspections, tests and certificates

Section 19: Inspections during construction or manufacture

Section 19 captures the inspection of components that are destined to be used on a vessel during the construction or manufacture of that component.

For example, when an inspector inspects a boiler at the factory while it is being constructed, the fee specified in section 19 is payable. If multiple visits are required to complete the inspection, then the minimum \$100 fee applies for each visit made by an inspector.

Part VII: Other fees

Section 29: Standby fee for inspectors

The standby fee of \$500 is payable in addition to all other fees whenever a shipyard operator, shipowner or ship operator requests that an inspector be on call or be made available for a specific period or for specific periods to perform a service of any kind.

The manager has the discretion to determine whether the on call or availability period requested is reasonable and if the inspector shall be made available for the full period requested. It is important that the manager and requestor come to an agreement regarding how long a period is appropriate, and when the standby period shall start and end prior to work commencing.

For inspections inside of Canada, the standby fee does not apply for travel days where no inspection or other service is provided to the client.

Examples:

When an owner calls a local Transport Canada Centre and, further to his or her request, an inspector is made available for a scheduled inspection on October 31st for a vessel's periodic inspection, the fees payable are the \$500 standby fee, plus the periodical inspection fee and any other applicable fee.

When an inspector is requested to be available during dry-dock, the standby fee of \$500 shall be charged for each calendar day (or partial day) that the inspector is made available.

When a manager agrees to make an inspector available from 9:00 to 13:00 for the inspection of vessel A, and agrees to make the same inspector available from 14:00 to 16:00 for the inspection of vessel B, a standby fee is payable for each inspection separately, in addition to all other applicable fees. However, where the vessels are owned or operated by the same client, and the manager agrees to make an inspector available for a period to inspect the vessels, the section 29 fee may be applied once per day, rather than for each vessel individually. The \$500 standby fee is similarly applicable when an inspector is requested and placed on call, or made available for a cargo inspection or to perform other Port Warden duties.

When a client requires a plan review to be completed by a specified date and the manager must reserve the services of an inspector to meet this deadline, the manager shall provide the client with a quote regarding the estimated number of working days for the service and estimated costs (including overtime). The fees payable are the \$500 standby fee, the plan approval fee, and the fees for out-of-hours duties.

Section 30: Other examinations or inspections

When an inspection occurs where one or more of the components of the vessel are inspected at the owner's request, and a certificate is issued or another service is provided, the appropriate fees specified in the table in section 30, Part VII are applicable.

Example:

Upon the issuance of a Safe Manning Document for either a convention or a non-convention vessel, a \$400 fee is payable, while \$100 is payable upon a renewal. In the case of a vessel with multiple Safe Manning Documents, the fees apply for each individual document.

Table Item 10: Cancellation or postponement fee

When an inspection is cancelled or postponed by the shipyard operator, shipowner or ship operator, or the authorized representative, and the inspector is en route or has already arrived at the inspection site, the cancellation/postponement fee of \$100 is applicable.

The cancellation/postponement fee does not nullify the standby fee. For example, if an owner cancels or postpones an inspection after the inspector has been made available at the request of the owner, and the inspector is already en route or present at the inspection site, the \$100 cancellation fee is payable in addition to the \$500 standby fee.

Table Item 12: Other examination, inspection or certification

A minimum \$100 fee is payable for each visit for an examination, inspection or certification provided by an inspector.

When the examination, inspection or certification activity takes multiple visits to complete, the \$100 per visit fee is payable for each visit leading to the completion of the activity.

The \$100 minimum per visit fee is not payable when the examination, inspection or certification activity has a fee associated with it elsewhere in the regulations, and the activity is completed in one visit,