



US COAST GUARD MONETARY THRESHOLDS FOR REPORTING MARINE CASUALTIES AND SERIOUS MARINE INCIDENTS INCREASED COMMENCING 18 APRIL 2018

The United States Coast Guard (“Coast Guard”) published a final rule on March 19, 2018 announcing changes in monetary thresholds for reporting of a Serious Marine Incident (SMI) and a Marine Casualty. As listed on CG-2692B the monetary threshold for an SMI was damage to property in excess of \$100,000. The property damage threshold for reporting a Marine Casualty was \$25,000. This has now been increased to \$200,000 and \$75,000 respectively.

“The increased monetary thresholds are intended to decrease the reporting and testing burden on vessel owners and operators and to reduce the amount of resources the Coast Guard expends on investigating these incidents.”

When the CG-2692 Form was changed effective July 1, 2016 after almost 40 years of use, many were surprised to learn that the \$100,000 threshold, established in the 1980s, was being left unchanged.

On January 23, 2017, after several industry groups lobbied for an increase in the monetary thresholds, the Coast Guard published a proposed rule in the Federal Register providing a period for public comment.

The final rule will become effective April 18, 2018 encompassing an increase in monetary threshold for SMI and Marine Casualty reporting requirements. The SMI property damage threshold will increase from \$100,000 to \$200,000. This will be the new threshold amount requiring chemical testing following a Serious Marine Incident. The property damage threshold for reporting a Marine Casualty will increase from \$25,000 to \$75,000. In addition to triggering

the vessel owner's duty to file a Marine Casualty report, it also triggers the Coast Guard's duty to conduct a formal Marine Casualty Investigation into the incident.

The increased monetary thresholds are intended to decrease the reporting and testing burden on vessel owners and operators and to reduce the amount of resources the Coast Guard expends on investigating these incidents.

Owners and operators in the marine, energy, and offshore industries should be mindful of the monetary threshold changes and reporting requirement. Should you have any questions, please do not hesitate to contact the HFW attorneys.

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