

Peer to Peer Charters: Owners,
Charterers, Captains and
Platforms Staying Compliant

Peer to Peer in the Marketplace

1. Change in Boat Ownership
2. Change in Marketplace

- Daily deals – Promotional
- On demand
- Hotels
- On line management
- Marketplace w/o Insurance
- Marketplace w/ insurance

Charters

- Time Charter – Professional Services
- Demise or Bareboat Charter
 - Demonstrate that exclusive possession, command, and navigation be surrendered to the charterer
 - Terms: time, rate, characteristics, employment, seaworthiness, surveys, and insurance
 - Written agreement

The Demise Charter - A Conceptual and Practical Analysis;
Tulane Law Review, Vol 49 (1975), pg 764

PVSA

- Passenger(s)
- For hire
- Consideration includes economic benefit, but not sharing expenses
- ... is chartered with (no) crew provided or specified by the owner or the owners representative

The Passenger Vessel Safety Act of 1993 (PVSA) – Public Law 103-206, December 20, 1993

NVIC 7-94

- Charters (Indicators which are not conclusive)
 - Option to select the master/crew (including one provided)
 - Pay the Master/crew
 - May discharge master/crew
 - Food, fuel, stores
 - Port charges
 - Insurance
 - Surveyed upon its deliver and return

Navigation and Vessel Inspection Circular (NVIC) 7-94
Guidance on the Passenger Vessel Safety Act of 1993

NVIC 7-94.

Comparison

COMPARISON OF OLD LAW TO THE PASSENGER VESSEL SAFETY ACT

CHART: A

VESSELS UNDER 100 GROSS TONS		
VESSEL	OLD LAW	THE ACT
Not more than 6 passengers, 1 of whom is for hire whether chartered or not	UPV	UPV
More than 6 passengers, 1 of whom is for hire whether chartered or not	SPV	SPV
Chartered with crew provided, Not more than 6 passengers	UPV ¹	UPV
Chartered with crew provided, More than 6 passengers	SPV ¹	SPV
Chartered with NO crew provided, Not more than 12 passengers	REC ²	REC
Chartered with NO crew provided, More than 12 passengers	REC ²	SPV
Submersible vessel, at least 1 passenger for hire	UPV	SPV
Not chartered, carrying any number of passengers, no passengers for hire	REC ³	REC

REC = Recreational Vessel SPV = Small Passenger Vessel
UPV = Uninspected Passenger Vessel

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Comparison

CHART: B

VESSELS 100 GROSS TONS OR MORE		
VESSEL	OLD LAW	THE ACT
Not more than 12 passengers, 1 of whom is for hire whether chartered or not	PV	UPV
More than 12 passengers, 1 of whom is for hire whether chartered or not	PV	PV
Chartered with crew provided, Not more than 12 passengers	PV ¹	UPV
Chartered with crew provided, More than 12 passengers	PV ¹	PV
Chartered with NO crew provided, Not more than 12 passengers	REC ²	REC
Chartered with NO crew provided, More than 12 passengers	REC ²	PV
Submersible vessel, at least 1 passenger for hire	PV	PV
Not chartered, carrying any number of passengers, no passengers for hire	REC ³	REC

REC = Recreational Vessel PV = Passenger Vessel
UPV = Uninspected Passenger Vessel

NVIC 7-94.

Compliance Matrix

CHART: C

COMPLIANCE MATRIX

GROSS TONNAGE	# of PASSENGERS	PASSENGERS FOR HIRE	CHARTER		
			NO	W/CREW	W/O CREW
< 100	≤ 6	YES	UPV	UPV	UPV
< 100	> 6	YES	SPV	SPV	SPV
< 100	7 - 12	NO	REC	SPV	REC
< 100	> 12	NO	REC	SPV	SPV
< 100	≥ 1	YES	SPV	SPV	SPV
≥ 100	≤ 12	YES	UPV	UPV	UPV
≥ 100	≤ 12	NO	REC	UPV	REC
≥ 100	> 12	YES	PV	PV	PV
≥ 100	> 12	NO	REC	PV	PV
≥ 100	≥ 1	YES	PV	PV	PV

UPV = Uninspected Passenger Vessel

REC = Recreational Vessel

SPV = Small Passenger Vessel

PV = Passenger Vessel

o Submersible Vessels only

> Greater than
< Less than

≥ Greater than or equal to
≤ Less than or equal to

Conclusions

Its all about Safety

- Owner know the platform and how you want to operate
- Pay attention to transferring control
- Charterer – know the platform and understand your responsibilities and limits to your operation
- Captain – perform professionally
- Marketplace – stay business compliant ...”help the parties be knowledgeable”
- Know Coast Guard resources: NVIC, Maritime Commons Blog, Officers