

U.S. Coast Guard Regulations for Bareboat Charter

Nantucket Mermaids Yacht Charters is proud to offer you access to a unique fleet of privately owned yachts curated for your enjoyment. In order to protect both our guests and the owners of these yachts, we follow the rules of the U.S. Coast Guard very closely and are here to help answer any questions you may have in abiding by them as well.

Currently Nantucket Mermaids Nautical Concierge LLC does not offer commercial charter. However, many of our managed boats are available on a bareboat charter basis as they are subject to the U.S. build requirements as set forth in the Passenger Services Act (46 U.S.C. 55103). Given Nantucket Mermaids focus on bareboat charter this article will emphasize some of the most pertinent details as published by the U.S. Coast Guard for bareboat charter vessel operation.

A demise charter, oftentimes referred to as bareboat charter, requires a written agreement between the owner of a vessel and a charterer where the charterer has use of the vessel for a defined period of time and is considered the de facto owner. A bareboat charterer may take on legal obligations to the owner of the vessel, the crew, the passengers carried, and others.

Elements of a valid Bareboat Charter:

- The charterer must have the option of selecting and paying crew, although the owner may require general levels of proficiency for the crew that is retained based on federal statutes.
- The master/crew are paid by the charterer
- All food, fuel, and stores are provided by the charterer
- Insurance is obtained by the charterer
- The charterer is responsible for the safe navigation of the vessel
- The charterer may discharge, for cause, the master or any crew member without referral to the owner
- The vessel is surveyed upon its delivery and return

Any provision that tends to show retention of possession or control of the vessel by the owner, or the owners exclusive operator, would be a contradiction that a valid and legal bareboat charter exists.

Common Bareboat Charter Vessel Errors:

- A chartered vessel may NOT carry more than 12 passengers without a Certificate of Inspection (COI)
- 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
- 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 bareboat charter
- 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
- 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
- Both U.S. flag and foreign vessels may be chartered, however foreign flagged vessels cannot carry passengers for hire between U.S. ports and must be chartered by and/or operate as a recreational vessel. Foreign built vessels owned by U.S. citizens must meet coastwise trade rules before carrying passengers for hire.
- Using a vessel as a boat bed and breakfast in which the owner or operator receives consideration for people to remain overnight on the vessel is a commercial operation, is still limited to 12 passengers, and requires a written contract (bareboat contract) if the vessel is foreign built and does not carry a MARAD small passenger vessel waiver.

Nantucket Mermaids Nautical Concierge LLC is dedicated to ensuring all of our managed vessels operate legally, and at the highest safety and maintenance standards. We recommend printing and carrying aboard your fully executed bareboat charter agreement when operating a bareboat charter and ensuring any hired crew are properly trained and qualified. Should you have any questions with regard to application of charter vessel regulations within our managed fleet please contact us at info@nantucketmermaids.com