

APPENDIX A

(OMB No. 2133-0013 applies to this collection of information.)

Waiver Request Procedures:

A. Statutory (Non-Availability) Waivers:

1. The process begins when public or private foreign borrowers or their United States representative, receives or expects to receive government instrumentality credit approval. (Note: Shipments could begin before the credit approval. See the section on Compensatory Waivers.) In the early stages of the project, either before or when the credit is approved, the shipper should meet with the U.S.-flag carriers and us and discuss the project cargoes detailing the information suggested in Appendix C. We will confirm the government instrumentality Credit Number.
2. The shipper must present its Request for Quotation (RFQ) for ocean service to the carriers at least forty-five (45) calendar days in advance of the intended shipping date. For efficiency, the RFQ also should be sent to the Maritime Administration. The RFQ must be presented at the same time and with the same information to all carriers, both U.S. and foreign. The RFQ must be given to all U.S.-flag carriers who may have service or could initiate service and should contain the most detailed information available regarding the commodities, sizes and weights. The shipper must give carriers at least fourteen (14) calendar days in which to respond.
3. The U.S.-flag carriers must respond to the RFQ within fourteen (14) calendar days either declining the cargo or providing an offer addressing both the rate quotations and the logistical needs expressed in the RFQ.
4. If the shipper cannot obtain service from a U.S.-flag carrier, the shipper may apply for a waiver from us. Such waiver application must be presented at least thirty (30) calendar days in advance of the intended shipping date. The request must contain all the required information as shown in Appendix B.
5. We will review the application, verify the waiver documentation provided by the shipper, investigate or request further information as necessary, and further search the market for U.S.-flag carriers to handle the cargo.
6. We will either approve or deny the waiver in writing.

B. General Waivers

1. As set forth in our Policy Statement at paragraph 2 (B), a foreign borrower or primary U.S. exporter who desires to make partial use of registered vessels of the recipient nation for a specific U.S. Government instrumentality credit must send a written request to our Office of Cargo Preference and Domestic Trade.
2. We will make necessary investigations, including consultations with U.S.-flag carriers, to determine that parity of treatment is extended to U.S.-flag vessels in the foreign trade of that nation.

3. If we do not find discrimination, we will advise the applicant that we may grant a General Waiver upon receipt of written confirmation of the applicant's agreement to the terms and conditions set forth in our Policy Statement at paragraph 2 (B). When we receive the written confirmation, we will grant the General Waiver in writing with a copy to the U.S. Government instrumentality.

C. Compensatory Waivers:

1. If a Compensatory Waiver is needed (see our Policy Statement paragraph 2 (C)), the shipper should apply to us in writing, stating the reasons, identifying the government instrumentality Credit Number and country, and attaching freighted copies of the ocean bills of lading covering the applicable cargoes.
2. If, after investigation, we decide to grant a Compensatory Waiver, we will notify the shipper of the requirements. Those requirements include moving whatever amount of revenue tons of non-government impelled cargo on U.S.-flag vessels are required to generate an equivalent or greater amount of ocean freight revenue within a specified time period. The shipper must then execute a written contract with us affirming they will meet those requirements.
3. Once we receive the written contract from the shipper, we will issue the waiver.

D. Conditional Waivers:

1. An applicant for a Conditional Waiver (see our Policy Statement paragraph 2(D)) must fulfill the conditions and information stated in Appendix C and must identify the specific overdimensional and integral component cargoes with projected shipping dates during the waiver time period. The shipper must search the market for U.S.-flag carriers to transport the identified cargoes. If the shipper cannot find such carriers, the shipper may apply in writing to us and must provide the information required in Appendix B and state the requested beginning and ending dates of the conditional waiver period. We must receive the application at least sixty (60) calendar days before the intended start of the requested Conditional Waiver period.
2. We will review the application in light of the information presented at the earlier meeting, consult with the U.S. carriers, and request additional information, as necessary.
3. If no U.S.-flag carrier which can accommodate the multiple shipments of overdimensional cargo can be found, we will grant a Conditional Waiver for the agreed time period, conditions, and specific identified cargoes.
4. We will calculate a Guideline Rate for the specific cargoes covered under the Conditional Waiver, as set forth in Appendix D, and will publish the Guideline Rate on our web site for use by bona fide U.S.-flag carriers and the shipper/applicant.
5. Immediately after each shipment departs the load port, the shipper must give us an update of the remaining project cargoes previously approved under the Conditional Waiver and an update of the projected shipping dates. Forty days prior to the next shipment, the shipper must confirm to us the projected load date, place, and cargo.

6. If at any time during the period of the Conditional Waiver, a U.S.-flag non-liner carrier gives at least a thirty (30) day notice to the shipper and us in which the U.S.-flag non-liner carrier offers to carry the cargo at or below the published guideline rate, the U.S.-flag non-liner carrier will be entitled to do so provided the carrier meets our conditions of carriage. If at any time during the period of the Conditional Waiver, a U.S.-flag liner vessel service capable of accommodating the cargoes commences operations, the Conditional Waiver will be withdrawn.
7. To meet the needs of the government instrumentality for each voyage made under a Conditional Waiver, the shipper must give us the government instrumentality Credit Number and country, vessel name, registry, sailing date, load port, discharge port, cargo weight in kilos, cargo volume in cubic meters, revenue tons, FAS value of cargo, ocean freight, list of cargoes shipped, and a signed statement certifying these cargoes were pre-approved by MARAD for shipment under the Conditional Waiver. We will then issue a standard non-availability waiver letter for each voyage for presentation to the government instrumentality. This standard non-availability waiver letter will cover only those cargoes specifically identified and previously agreed to under the Conditional Waiver. A shipper who wishes to place any additional cargoes on the same voyage must use the Statutory non-availability waiver procedure, detailed in Appendix A paragraph A, with appropriate notice to the U.S. carriers. Within 30 days of vessel sailing, the shipper must submit a completed Appendix F form and attach a freighted copy of the ocean carriers bill of lading. We will post essential waiver information on our web site for use by bona fide U.S.-flag carriers.
8. A shipper who needs additional time beyond the original Conditional Waiver period must apply for an extension by following steps 1 through 6 above. After investigation and consultation with the U.S. carriers, we may grant an extension.