

§ 204.9 Indemnity or contribution.

(a) *Sought by the United States.* If a claim arises under circumstances in which the United States is entitled to indemnity or contribution under a contract or the applicable law governing joint tort-feasors, the Chief Counsel of the Maritime Administration shall notify the third party of the claim and request the third party to honor its obligation to the United States or to accept its share of joint liability. If the issue of third party indemnity or contribution is not satisfactorily adjusted, the underlying claim shall be settled only after consultation with the Department of Justice as provided in 28 CFR 14.7

(b) *Sought from the United States.* Claims for indemnity or contribution from the United States shall be settled under this part only if the incident giving rise to liability and the claim is otherwise cognizable under this part.

§ 204.10 Attorney's fees.

Attorney's fees for any claim settled under this part are limited to not more than twenty percent of the amount paid in settlement.

PART 205—AUDIT APPEALS; POLICY AND PROCEDURE

Sec.

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AUTHORITY: Sec. 204, 49 Stat. 1987, 1998, 2004, 2011; 46 U.S.C. 1114, 1155, 1176, 1212.

SOURCE: 66 FR 23861, May 10, 2001, unless otherwise noted.

§ 205.1 Purpose.

This part establishes the policy and procedure for parties to use when seeking redress and appeals of audit decisions involving contracts with the Maritime Subsidy Board or the Maritime Administration (MARAD, we, our, or us). A party to a contract (you or your) may appeal MARAD's findings, inter-

pretations, or decisions of annual or special audits.

§ 205.2 Policy.

If you disagree with audit findings and fail to settle any differences with the appropriate Office Director, you may ask the appropriate office Associate Administrator to review the audit findings. If you disagree with the Associate Administrator, you may appeal to the Maritime Administrator (Administrator).

§ 205.3 Procedure.

(a) You have 90 days from the date you receive the initial audit findings to file a written request for review of the audit findings with the appropriate Associate Administrator. Your written request must state the legal or factual bases for your disagreement. The appropriate Associate Administrator will issue a written determination.

(b) You have 30 days following the Associate Administrator's final audit determination to submit your appeal in writing to the Administrator. Your written appeal must set forth the legal and factual bases for your appeal. The Administrator may, at his or her discretion, extend the time limitation in the case of extenuating circumstances.

(c) We will notify you, in writing, if you must submit additional facts for our consideration of the appeal. We will notify you, in writing, once the Administrator has made a decision regarding your appeal.

§ 205.4 Finality of decisions.

The Administrator's decision will be the final administrative action on all audit appeals.

§ 205.5 Contracts containing disputes article.

When a contract contains a disputes article, the disputes article will govern the bases for negotiating disputes regarding audit findings, interpretations, or decisions made by MARAD and any appeals.