



U.S. Department
of Transportation
**Maritime
Administration**

MANUAL OF ORDERS

MARITIME ADMINISTRATIVE ORDER

REVOKES
MAO 50-1 dated
12/1/99

NO. 50-1

EFFECTIVE DATE
July 30, 2000

SUBJECT

ASSOCIATE ADMINISTRATOR FOR FINANCIAL APPROVALS AND CARGO PREFERENCE

Section 1. Organization and Functions:

1.01 The Associate Administrator for Financial Approvals and Cargo Preference (Associate Administrator) shall be responsible to the Maritime Administrator and the Maritime Subsidy Board for formulation, direction, and coordination of the program financial analysis and approval activities, U.S. and foreign vessel operating cost analysis, cargo preference activities, Ship Operations Cooperative Program (SOCP) including partnering with the maritime industry to solve common ship operations problems and develop products that satisfy the common needs of the members through exploration of an industry-wide research and development program, customer service program, and support of the operating-differential and construction-differential subsidy programs, as assigned to the Associate Administrator in DOT Order 1100.69A, Department of Transportation Organization Manual – Maritime Administration, and other issuances.

1.02 The Associate Administrator shall serve as the Maritime Administration's (MARAD's) liaison with the Office of the Secretary of Transportation on customer service issues and as MARAD's Customer Service Coordinator responsible for conducting, over a three-year cycle, an annual survey of all major MARAD programs and periodic survey of all MARAD activities with external as well as internal customers, ensuring that performance results are shared at least annually with all MARAD employees and customers.

1.03 The organization structure and line of authority under the Associate Administrator shall be as depicted in the attached organization chart.

Section 2. Delegation of Authority:

2.01 Subject to such conditions and limitations as the Maritime Administrator may impose in other directives, the Associate Administrator is authorized to exercise all the authorities of the Maritime Administrator required to perform the functions assigned to the Associate Administrator in DOT Order 1100.69A and other issuances.

2.02 Regarding commercial customers, i.e., program participants and contractors, provide financial advice and formulate financial policies on accounting, auditing, and income tax matters for Maritime Administration managers.

2.03 The Associate Administrator is authorized to recommend the issuance of grants or cooperative agreements for research and development activities, when appropriate. In determining the feasibility and purpose of these activities, the Associate Administrator shall consult the Coordinator of Research and Development and other program officials who propose projects and be guided by policy statements, work plans or other guidance approved by the Maritime Administrator, or designee, regarding the use of these activities to support Maritime Administration program objectives.

2.04 Of the authorities vested in the Maritime Subsidy Board, which are derived from Reorganization Plan No. 5 of 1950, Reorganization Plan No. 21 of 1950, and Reorganization Plan No. 7 of 1961, and as set forth in DOT Order 1100.69A, authority to act on the following item has been delegated to the Associate Administrator:

- 1 Disallowances from operating-differential subsidy otherwise accrued, of amounts equal to the total cost (exclusive of applicable U.S. Customs duties) of foreign repairs and purchases made in violation of section 606(6) of the Merchant Marine Act, 1936, as amended, and article II-4 of the operating-differential subsidy agreements, where the amount involved does not exceed \$1,000 in any single instance, and the total does not exceed \$5,000, collectively over a period of one calendar year. All costs incurred by reason of such violation, plus applicable U.S. Customs duties, shall be excluded from the determination of net profits for purposes of accounting under the reserve fund provisions of the subsidy agreements.


Section 3. Limitations:

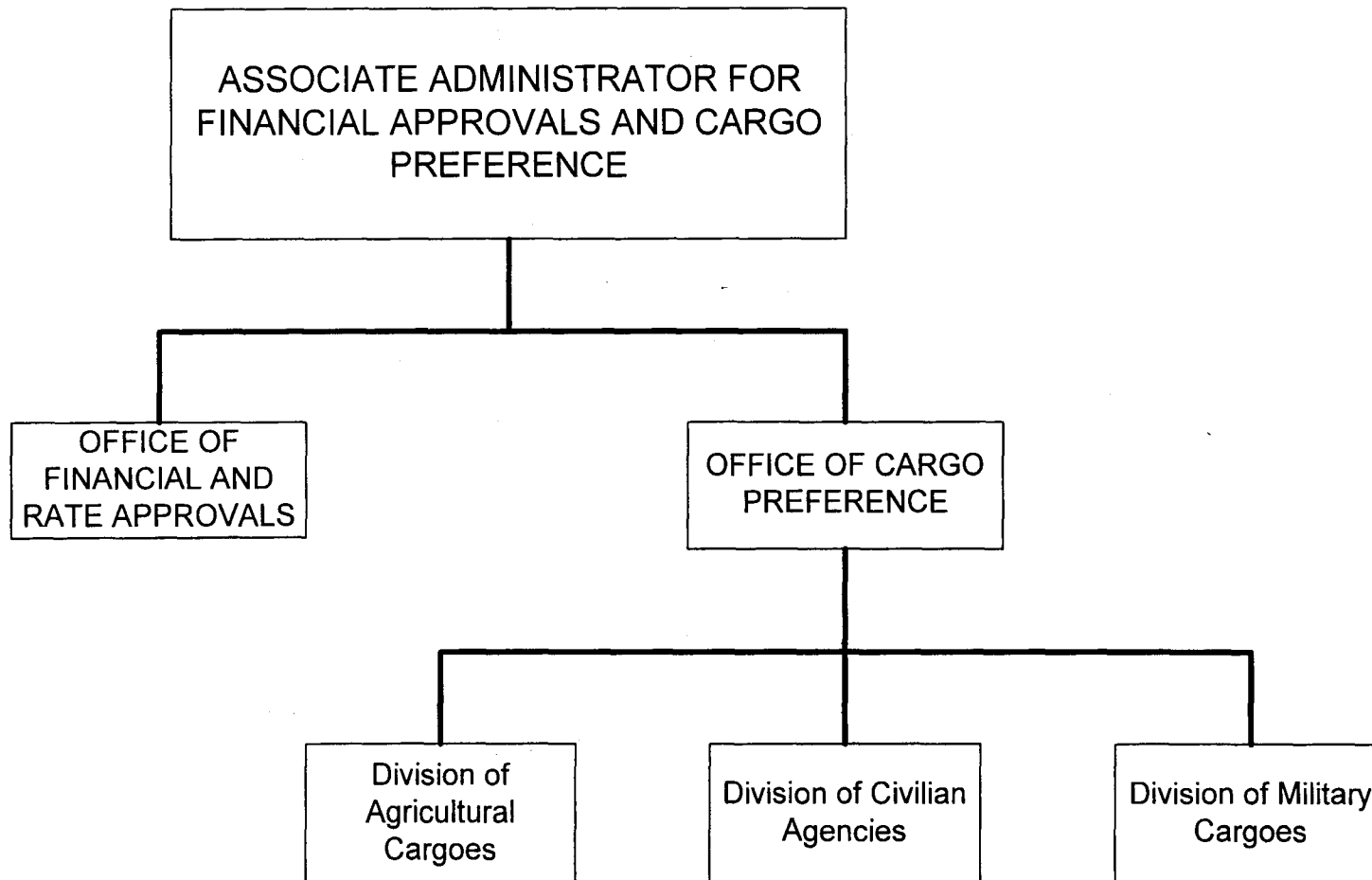
3.01 In exercising the authorities delegated in section 2.04, the Associate Administrator shall follow the guidelines set forth below:

- 1 No action shall be taken under the authority delegated herein in cases which present, in the opinion of the Associate Administrator, particular conditions or circumstances warranting prior policy guidance or approval by the Maritime Subsidy Board without first obtaining such guidance or approval.
- 2 With respect to cases coming under section 2.04 1, continuing violations by an operator shall, after due notice, be presented to the Maritime Subsidy Board with appropriate recommendations.
- 3 Actions taken under section 2.04 shall be subject to administrative review by the Maritime Subsidy Board.

3.02 Actions taken under all of the delegations of authority in section 2.04 shall be reported monthly to the Maritime Subsidy Board.

3.03 The Associate Administrator may redelegate the authorities set forth in section 2.01 in accordance with Maritime Administrative Order 200-1. The Associate Administrator retains full responsibility for actions taken by subordinates under authorities redelegated.


for John E. Graykowski
Acting Maritime Administrator
Chairman, Maritime Subsidy Board



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