



US Department  
of Transportation  
**Maritime  
Administration**

## MANUAL OF ORDERS

### MARITIME ADMINISTRATIVE ORDER

REVOKES  
MAO 61-1 dtd  
07/28/1999

NO.  
61-1

EFFECTIVE DATE  
December 28, 2005

**SUBJECT**

### OFFICE OF SHIP OPERATIONS

Section 1. Organization: The Office of Ship Operations is supervised by a Director who reports to the Associate Administrator for National Security. The Director shall be assisted by a Deputy Director who shall act for the Director during the absence or preoccupation of the Director and perform such other duties as are assigned by the Director. The office has the following organizational components:

- Immediate Office of the Director
- Division of Ship Maintenance and Repair
- Division of Reserve Fleet
- Division of Operations Support
- Division of Logistics Support

Section 2. Delegations of Authority:

2.01 Subject to such conditions and limitations as the Maritime Administrator may impose in other directives, the Director, Office of Ship Operations, is authorized to exercise all the authorities of the Associate Administrator for National Security required to perform the functions assigned in Department of Transportation (DOT) Order 1100.69A and this order; except authority to:

- 1 Exercise the authorities of the Director, National Shipping Authority which cannot be redelegated as set forth in sections 2.04 and 2.05 of Maritime Administrative Order (MAO) 60-1.
- 2 Approve any requisition in excess of \$200,000, or any requisition which brings the aggregate of all increases to more than \$200,000 over the initial cost or over the last contract change approved by a higher authority.
- 3 Make findings and approve actions relating to compensation payable to Agents, General Agents, and Berth Agents pursuant to National Shipping Authority Regulations.

2.02 Except as otherwise provided, Division Chiefs and Immediate Office Program Managers are authorized to exercise all authorities of the Office Director required to perform the functions assigned to their respective divisions in this order. These authorities may be further redelegated in accordance with MAO 200-1.

Section 3. Immediate Office of the Director: In addition to the usual responsibilities for planning and directing the functions listed in this order, the Director shall:

3.01 Serve as Maritime Administration's (MARAD's) official point of contact with the Department of Defense on the Ready Reserve Force (RRF) Program and assure the fleet is maintained in accordance with the Department of Defense/Department of Transportation Memorandum of Agreement for the National Defense Reserve Fleet (NDRF).

3.02 Accept custody of naval ships pursuant to the Economy Act (31 U.S.C. 1535) and agreements with the Department of Defense.

3.03 Review and make recommendations on applications for purchase of ships under section 510 of the Merchant Marine Act, 1936, as amended.

3.04 Determine, in collaboration with the Department of Defense (USTRANSCOM) the ships in the NDRF that are no longer worth retaining for national defense purposes, and that they are available for sale, donation, loan, custody transfer, or disposal (by recycling, dismantling, artificial reefing, or otherwise).

3.05 As approved by the Associate Administrator for National Security, initiate requisitions for nationwide technical and other service contracts in support of the RRF Program.

3.06 Serve as contact point within MARAD where ship operators can seek assistance in resolving operational problems.

3.07 Assure that the RRF logistics support program effectively supports the requirements of the RRF. Budget for adequate funds and personnel resources to support all aspects of the program. Assure effective performance of the program through appropriate management reports and general oversight.

3.08 Identify and coordinate implementation of uniform standards for the goals and services being provided under the RRF program by MARAD's Regions, the NDRF, and MARAD's contractors and general agents; provide comprehensive oversight (monitoring) and reporting on the compliance with quality assurance requirements, standards and procedures; and initiate corrective action plans.

3.09 Recommend terms of and assist in administration of general agency, ship management, charter, and related agreements on the operation, repair, and maintenance of ships.

3.10 Serve as the U.S. Government's disposal agent for merchant type vessels pursuant to the Federal Property and Administrative Services Act of 1949, as amended, (40 U.S.C. 548).

3.11 Serve as MARAD official point of contact and responsible official with the Maritime Administration with respect to the sale, donation, loan, custody transfer, or disposal (by recycling, dismantling, artificial reefing, or otherwise) of any vessels within the National Defense Reserve Fleet.

3.12 There is herein established within the Immediate Office of the Director, a Ship Disposal Program Staff (SDP) and an Operations Management Analysis Staff (MAS). The SDP and MAS shall report to a Program Manager, who shall be designated by and report to the Director, Office of Ship Operations.

1        The Ship Disposal Program staff shall perform the following functions:

- (1)        In coordination with other involved offices, develop and administer MARAD's program for disposal of obsolete vessels and conduct competitive bid sales of vessels, including but not limited to, the disposal of vessels under sections 508 and 510(i) of the Merchant Marine Act, 1936, as amended, Public Law 101-595, and Public Law 106-398.
- (2)        Administer the sale and acquisition of vessels under section 510(i) of the Merchant Marine Act, 1936, as amended, including the administration of contracts and amendments and modifications thereto; and performance guarantees, as applicable.
- (3)        For MARAD-owned ships offered for scrapping, nontransportation uses, under section 508 of the Merchant Marine Act, 1936, as amended, (1) conduct competitive bid sales; (2) review bids and advise the Associate Administrator for National

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Security of bid results; (3) notify bidders of action; (4) prepare and execute contracts and amendments and modifications thereto and bills of sale; and (5) conduct closings to consummate such transactions.

- (4) Effect settlement and obtain data required for compliance with Pub. L. 81-147; namely, ballast and special equipment aboard ships which are offered for sale.
- (5) Determine eligibility of ships of 1,500 gross tons or more owned by other Federal agencies for disposition under the Merchant Marine Act; and, as appropriate: (1) conduct competitive bid sales of such ships under special terms and conditions required by the owner; (2) review bids and advise the Associate Administrator for National Security of bid offers; (3) notify bidders of action; and (4) prepare and execute contracts and amendments and modifications thereto and bills of sale.
- (6) Research the ownership of and conduct negotiated or competitive bid sales, domestic and foreign, of Government-owned sunken cargo ships and their cargoes, and prepare and execute the necessary contracts and amendments and modifications thereto and bills of sale.
- (7) Execute contracts for the sale of vessels under section 510(i) of the Merchant Marine Act, 1936, as amended.
- (8) Perform all functions for the Office of Ship Operations with respect to the artificial reefing of vessels pursuant to Public Law 92-402, as amended.
- (9) Perform all functions for the Office of Ship Operations with respect to the disposal or other transfer of vessels, in any way, except for those functions performed by the Division of Reserve Fleet with respect to the donation of vessels by the Maritime Administration or the transfer of vessels to the custody of other entities, agencies, or instrumentalities of the Federal Government.
- (10) Notwithstanding any other provision of this Order, perform such other special projects as may be specifically directed in writing by the Associate Administrator overseeing the Office of Ship Operations or the Director of the Office of Ship Operations.

- 2 The Operations Management Analysis Staff shall perform the following functions: Design, develop, implement (as directed) evaluate and manage initiatives for achieving efficiencies and improvements in the management and administration of all programs and functions under the Office of Ship Operations.

3.13 There is herein established within the Immediate Officer of the Director, a SAVANNAH Technical Staff (STS) dedicated to administering program activities related to the maintenance, monitoring, radiological decommissioning and preservation of the N.S. SAVANNAH. The STS shall report to a Program Manager, who shall be designated by and report to the Director, Office of Ship Operations.

### Section 4. The Division of Ship Maintenance and Repair shall:

4.01 Develop national policies and programs, and prepare regulations, for the following functions, making provision for evaluating field performance thereof:

- 1 Managing the upgrading, activation, deactivation, and repair, of MARAD- owned or acquired ships (other than ships bareboat chartered out), including RRF ships; and maintenance and

inspection of RRF ships in the NDRF in order to ensure that these ships can be reactivated for use within designated timeframes.

- 2 Conducting repair inspections and condition surveys (including sea-trials) of ships in which MARAD has an interest. Conducting maintenance and repair of Government-owned ships operated under general agency or charter agreements, and inspection of RRF ships in the NDRF in order to ensure that these ships can be reactivated for use within designated time periods.

4.02 Review and make recommendations on applications for ship financing guarantees and operation of Government-owned ships under a general agency or charter agreement.

4.03 Prepare or coordinate the preparation of annual ship repair plans for each RRF ship as well as other ships for which MARAD has such responsibility. Prepare the technical terms and provisions of Master Lump Sum Repair Agreements and other forms of contracts to be used for ship repair. Plan and administer the performance of maintenance and repair work on training ships of state maritime academies, including estimating fund requirements nationwide. Establish maintenance and repair program policies, guidelines, and procedures for academy training ships for implementation by the applicable Regions.

4.04 Develop and maintain current Phase IV procedures for each RRF ship type.

4.05 Monitor technical requirements for ship repair contracts and recommend approval of field repair contract actions.

4.06 Establish uniform ship repair standards, techniques, methods, and procedures, and evaluate conformance therewith; establish budgets and maintain surveillance over costs and program accomplishments.

4.07 Maintain a record of the readiness status of all RRF ships; distribute monthly readiness status report and update same whenever a ship or ships move into or out of C-3, C-4, or C-5 status.

Section 5. The Division of Reserve Fleet shall:

5.01 Develop and promulgate policies and evaluate field performance regarding the preservation of hulls, machinery, and electrical components of ships in the reserve fleet anchorages; for the efficient conduct of fleet anchorage facility activities, the safety and health of fleet personnel, acquisition of operating equipment, and protection of fleet property against damage such as fire and pilferage; and for the safety of personnel while ships are in operating status.

5.02 Maintain the Fleet Manual prescribing the preservation standards and administrative procedures regarding ships in the reserve fleet anchorage facilities.

5.03 In accordance with MAO 330-13, serve as the accountable property officer for vessels, except title XI vessels. Recommend authorization of property transfers, loans, leases, and use of marine equipment and marine artifacts from warehouses, reserve fleet sites, NDRF or other ships.

5.04 Take action to acquire suitable vessels for the NDRF and RRF or expand the existing capacity of vessels. In addition, serve as the program representative for ship acquisition contracts. Initiate action to remove ships from the NDRF for disposal, nontransportation use, transfer to other government agencies, or transfer to other entities as specified by special legislation. Maintain records on the characteristics of the ships in the NDRF and RRF.

5.05 Make appropriate changes in the retention status of NDRF and RRF ships based on requirements for a response to national emergencies.

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- 5.06 Approve the acceptance of other government-owned ships into MARAD's custody pursuant to provisions of the Economy Act and memoranda of agreement. Prescribe the level of care to be provided for ships of other government agencies held under custody agreements.
- 5.07 Designate the layup sites for ships in the NDRF and RRF, including outport locations, and provide long-term berthing.
- 5.08 Develop budgetary requirements and spending plans for: the preservation of ships in the reserve fleet sites, RRF safety operations, outported berthing agreements, fleet additions or upgrades, and berthing facility operations and improvements.
- 5.09 Administer use agreements, especially for government training on NDRF and RRF ships while remaining in Phase IV. This includes ships located at outported sites and in the reserve fleet sites.
- 5.10 Maintain information and respond to inquiries regarding the history of the NDRF
- 5.11 In coordination with other involved offices, develop and administer the Maritime Administration's program for the conveyance of obsolete NDRF vessels to non-profit organizations or state and municipal entities for appropriate purposes (i.e., memorials and museums and humanitarian missions), in accordance with P.L. 108-136.
- 5.12 For MARAD-owned ships made available under special Congressional legislation to government agencies, states, historical museums, etc. (excluding ships made available under Pub. L. 96-453), prepare for approval and execution by the Maritime Administrator the documents and correspondence required to consummate the transactions.

### Section 6. The Division of Operations Support shall:

- 6.01 Coordinate and validate the requirements for and obtaining of funds covering headquarters' and regions' expenses of ship maintenance, activations, operations, voyage repairs, and procurement of outfitting items (exclusive of reserve fleet activities) including reimbursable ship operations programs through the Vessel Operations Revolving Fund (VORF).
- 6.02 Recommend the allocation of available funding among elements of the RRF program to the Director, Office of Ship Operations. Coordinate and develop annual financial plans for RRF activities, reflecting the allocation of available funds by ship, project, or as required. Monitor implementation of the plan by headquarters and field units; prepare reports on the status of available funds and projects.
- 6.03 Develop and maintain readiness plans and procedures for the requisition, control, and operation of ships for emergency shipping programs. Arrange for operation of ships under National Shipping Authority (NSA) when directed by the Director, NSA. Participate in the planning and execution of national and international mobilization and naval control of shipping exercises and studies which involve U.S. merchant shipping.
- 6.04 Carry out vessel documentation, licensing, and registration actions, including GMDSS, radio station, and EPIRB, necessary for MARAD vessel ownership.
- 6.05 In connection with applications for War Risk Insurance under 46 CFR Part 308, determine that services of certain vessels are in the interest of the national defense or national economy of the United States, and advise the Office of Insurance and Shipping Analysis accordingly.
- 6.06 Coordinate with other MARAD offices, government agencies and the private sector to promote awareness of maritime security issues. Ensure proper development and distribution of information, including MARAD and National Geospatial-Intelligence Agency (NGA) web pages, to U.S. mariners through the

"MARAD Advisory" system. Coordinate as necessary within MARAD regarding "Special Warnings to Mariners" in accordance with the "Memorandum of Agreement" with the Departments of State and Defense.

6.07 Develop and maintain the RRF Operations Management Manual, containing policies and responsibilities for management of the RRF. Collaborate with the Office of Chief Counsel in the preparation of NSA Regulations.

6.08 Participate with NGA in the review of nautical charting and publication requirements for the U.S. merchant marine.

6.09 Manage the operation of MARAD-owned or acquired ships (other than ships bareboat chartered out) including RRF vessels. Maintain files and records of operational history. Provide operational orders to the Ship Manager/General Agent as appropriate. Prepare funding estimates of activations, operations and deactivations. Coordinate the functions of the MARAD Operations Center (MOC) when required for activation of vessels. Prepare and distribute operational reports.

6.10 Participate in the development and improvement of procedures for U.S. merchant marine and U.S. Navy communications interoperability for emergency and other joint operational situations.

6.11 As delegated by the Director, NSA, recommend terms, interpret, and administer general agency, time charter, berth agency, charter contract, and interagency and use agreements; and negotiate with applicants and prepare recommendations for action.

6.12 Provide vessel operation advice to the Director, Office of Ship Operations, other offices in MARAD, Region Directors, other government agencies, regulatory bodies, technical societies, and the industry on matters relating to the responsibilities of the division. Determine and put into effect the requirements of the International Maritime Organization (IMO), U.S. Coast Guard (USCG), or other organizations in respect to safety, environmental, and other operational factors related to the RRF and other operating vessels.

6.13 Develop and maintain oil and hazardous material response plans in accordance with MARAD policy and administer the oil-spill liability insurance program. Participate with the USCG in DOT initiatives to reduce oil spills from Government-owned ships.

6.14 Act as classified material control, custodian, and assistant security officer for the Office of Ship Operations.

Section 7. The Division of Logistics Support shall:

7.01 Develop and implement policies, procedures, and systems necessary to provide for the logistics support required to sustain RRF ships in operation pursuant to MAO 630-7, Ready Reserve Force/Logistics Support System (RRF/LSS).

7.02 Develop and promulgate MARAD logistics support policies and programs for RRF/NDRF ships and monitor and evaluate field performance of MARAD logistics support requirements for these ships. Assure compliance with procedures for establishing and controlling ship equipment configuration management of RRF and NDRF ships, and the effective management, control, and disposition of shipboard and shore-based inventories of repair parts, accountable property, consumable items, and equipment.

7.03 Plan, coordinate, and control logistics support requirements related to the acquisition, upgrade, and conversion of RRF ships. Adjust such requirements appropriately when vessels are increased or downgraded in readiness status, or are removed permanently from MARAD custody or control. Reuse or properly dispose of all "excess" RRF vessel program material, except administrative or office equipment and federal information processing equipment (FIPE), executing the disposal of such material in accordance with

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applicable regulations and policies. Administrative or office equipment and FIPE will be screened and disposed of by the Office of Management Services.

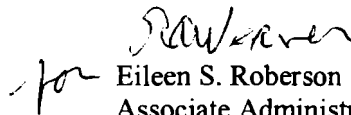
7.04 Provide MARAD Headquarters and Regions with timely and accurate information regarding the status of acquisition and storage of RRF repair parts and equipment. Provide effective and uniform procedures for maintaining, storing, and retrieving management information by developing, implementing, and maintaining the RRF Equipment Configuration and Spare Parts Management Information System (RRF-ECSMIS).

7.05 Carry out the Office Director's responsibilities for the management of shore-based spares material and related activities in accordance with MAO 360-1.



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Concurrence:



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