



**USTRANSCOM
Pamphlet 10-1**

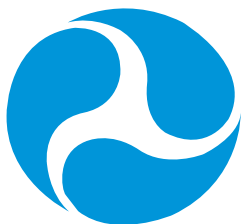


Operations

VISA

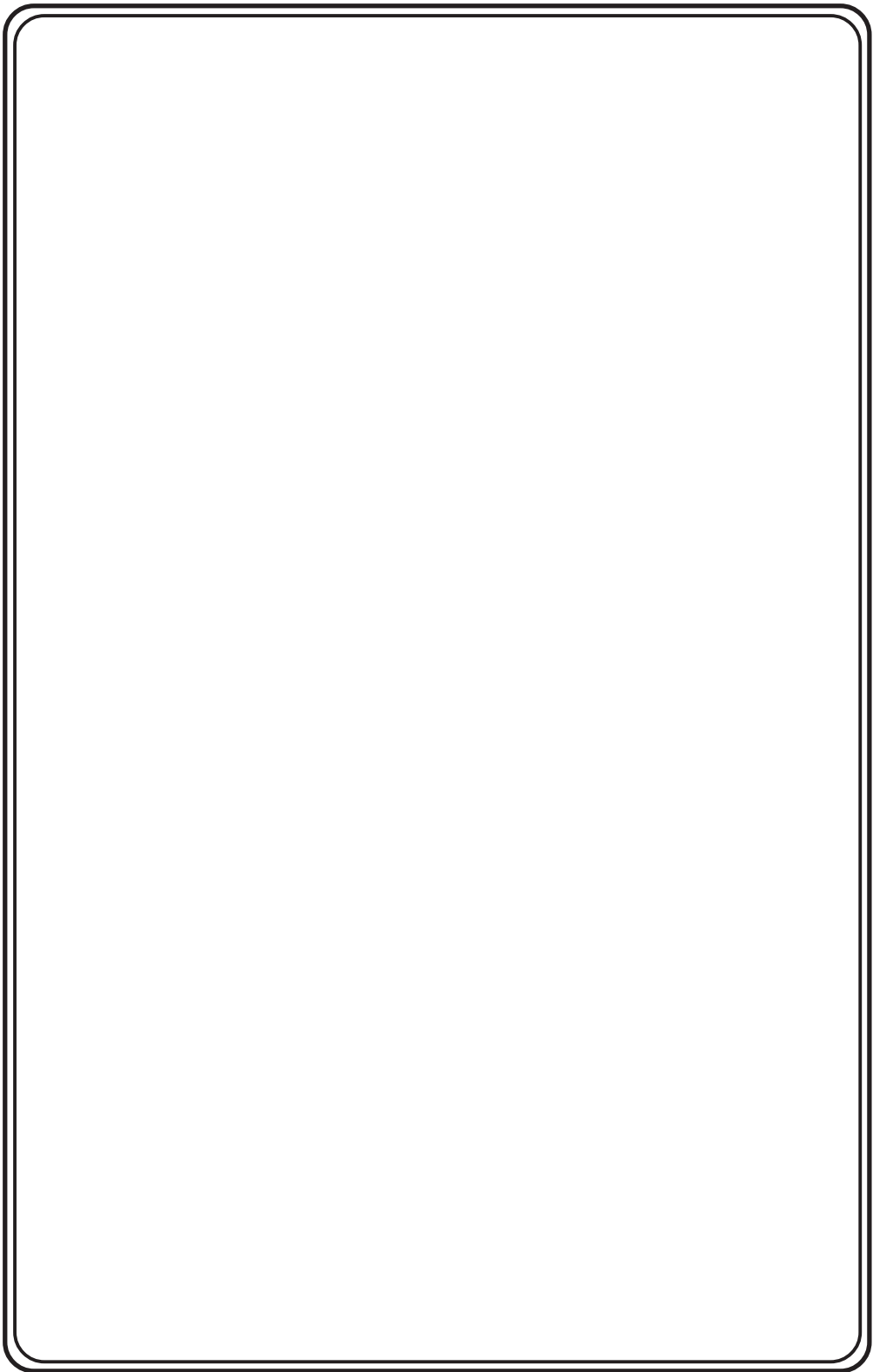
(VOLUNTARY INTERMODAL SEALIFT AGREEMENT)

and the Sealift Mobilization Programs



21 September 1998





FOREWORD

“The American Merchant Marine is an important component of the sealift needed by the DOD. By contracting with the owners and operators of U.S. Flag commercial vessels, the Government will gain access to a fleet of modern commercial ships, along with the sophisticated intermodal transportation systems supporting it.”

President William J. Clinton
October 8, 1996
upon signing the
Maritime Security Act of 1996

“The U.S.-owned commercial ocean carrier industry, to the extent it is capable, will be relied upon to provide sealift in peace, crisis, and war... Sufficient U.S.-owned sealift resources must be available to meet requirements for such unilateral response.”

George Bush
October 5, 1989
Excerpts from the
National Sealift Policy

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SECTION I

PURPOSE

To provide United States Department of Defense (DOD) warfighters and planners current information on the Voluntary Intermodal Sealift Agreement (VISA), the latest addition to the U.S. commercial dry cargo sealift mobilization programs.

OVERVIEW

In accordance with National Sealift Policy and Planning Doctrine, DOD is committed to support the U.S. Flag sealift industry in order to accomplish readiness objectives.

RESPONSIBILITIES

U.S. Transportation Command (USTRANSCOM):

- The single manager for DOD transportation and co-sponsor of VISA

Maritime Administration (MARAD):

- Assures merchant shipping is available during contingencies and is co-sponsor of VISA

Military Traffic Management Command (MTMC) Joint Traffic Management Office:

- USTRANSCOM's Army Component Command responsible for liner sealift contracts

Military Sealift Command (MSC):

- USTRANSCOM's Navy Component Command responsible for charter sealift contracts

SEALIFT SOURCES

DOD sealift capabilities are classified as either organic or non-organic:

☞ Organic assets are vessels the U.S. Government owns -- such as Fast Sealift Ships (FSSs), Large Medium Speed Roll-On/Roll-Off ships (LMSRs) and Ready Reserve Force (RRF) ships or has under long-term charter or lease to MSC, such as prepositioning ships.

☞ U.S. Government can utilize non-organic (commercial) assets through contracting with carriers on the open market or through a DOD sealift augmentation program. In addition, ships registered in foreign nations (foreign flag) can be accessed through formal bilateral or alliance agreements or by charter on the open market.



ORGANIC

Large Medium Speed
Roll-On Roll-Off (LMSR)



NON-ORGANIC

Commercial Containership

SEALIFT MOBILITY PROGRAMS

The intent of the sealift mobilization programs is to assure DOD access to U.S. Flag commercial sealift capability to augment the DOD organic fleet. There are three such programs:

☞ The primary sealift mobilization program is the Voluntary Intermodal Sealift Agreement (VISA). VISA is the result of a new DOD and Department of Transportation (DOT) initiative, worked in conjunction with the U.S. maritime industry. VISA is similar to the airlift mobilization program, the Civil Reserve Air Fleet, and was approved by the Secretary of Defense (SECDEF) for full implementation on 30 January 1997.

☞ The Sealift Readiness Program (SRP), which was developed in the 1970s, will continue as the alternate mobilization program for U.S. Flag carriers not enrolled in VISA.

☞ The third sealift mobilization program is the requisitioning by the government of U.S.-owned vessels under U.S. or Effective U.S. Control (EUSC) as authorized by the Merchant Marine Act of 1936, Section 902. Requisitioning would occur after the VISA and SRP programs had been exhausted.

SECTION II

VOLUNTARY INTERMODAL SEALIFT AGREEMENT (VISA)

☛ VISA was developed through a unique partnership between DOD, DOT, MARAD and the U.S. Flag commercial sealift industry. VISA represents an improved way to meet mobilization readiness requirements.

- Through joint planning efforts, DOD, DOT, MARAD, and the commercial carriers work together on VISA activation and operational procedures. The result is that the carriers know what DOD's expectations and requirements are for movements during a contingency and DOD can plan how to best utilize available capacity. Such cooperation is an improvement over the SRP.

☛ VISA is a contractual arrangement for obtaining time-phased access to militarily-useful U.S. Flag commercial dry cargo sealift capacity, infrastructure and intermodal capability to support DOD contingency requirements.

☛ VISA strives to maintain mobilization proportionality among the committed U.S. Flag carriers while providing the best response capability.

VISA FEATURES

- ✦ Participation gives carriers a preference when doing peacetime business with DOD.
- ✦ Assures access to U.S.-owned/controlled or operated assets and access to carriers' total intermodal systems.
- ✦ Carrier coordination agreements permit competing commercial carriers to coordinate activities under anti-trust exemptions. Commercial back-fill authorization by the Government protects carriers' market share.
- ✦ Pre-negotiated rates/methodology provide a rapid transition to war.
- ✦ DOD planning and exercising with industry and DOT.



VISA BENEFITS

- ☛ VISA is an intermodal, capacity-oriented program vice a ship-by-ship oriented program.
- ☛ VISA provides contractually-committed, time-phased, U.S. Flag sealift capability to meet DOD contingencies.
- ☛ VISA provides the process for DOD and industry to develop flexible Concepts of Operations (CONOPs) for contingency sealift in support of Commander in Chief (CINC) Operations Plans (OPLANs).
- ☛ The worldwide intermodal system provided by these carriers provides extensive and flexible capabilities to DOD.



Commercial RO/RO

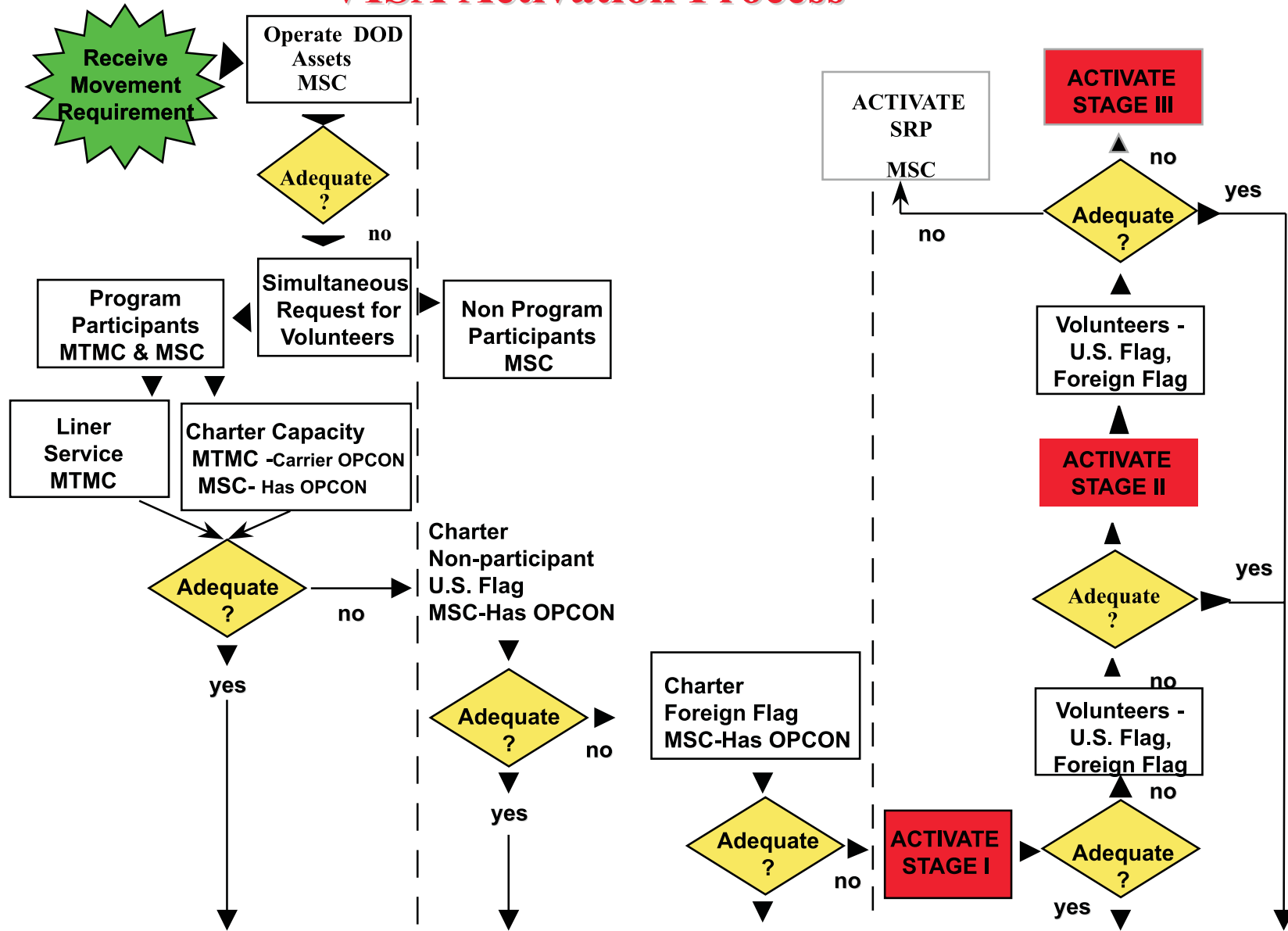
☛ These OPLAN requirements are defined in VISA time-phased stages corresponding to DOD projected operational requirements, with Stage I representing requirements needed early in a conflict. The intent of VISA is to meet DOD OPLAN requirements for a single major theater war with Stages I and II. Stage III (and, if necessary, requisitioning) will provide additional lift for unforecasted requirements.

☛ All major U.S. Flag carriers are enrolled in VISA. This constitutes over 90 percent of the U.S. Flag dry cargo fleet.

☛ Enrolled ship types include Roll-On/Roll-Off (RO/RO) ships, Lighter Aboard Ship (LASH) vessels, combination RO/RO and container ships, breakbulk ships, and seagoing tugs and barges.



VISA Activation Process



REQUIREMENT SATISFIED

ENROLLMENT PROCEDURES

☛ There are two ways for a carrier to enroll in VISA:

① Participants in the Maritime Security Program (MSP) are required to enroll in VISA (i.e. 100% of the ship's capacity and associated intermodal resources). MSP is authorized through 2005. If a carrier received a Construction Differential Subsidy (CDS) or is receiving an Operating Differential Subsidy (ODS), it is required to enroll the ship in either VISA or SRP. Most CDS and ODS obligations expire by FY99.

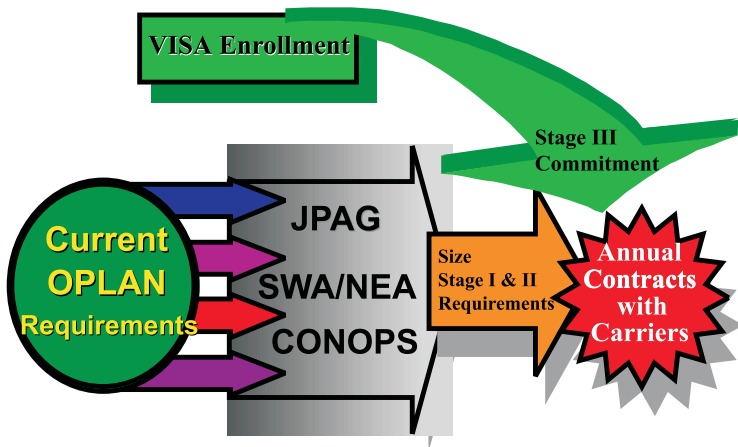
② To receive preference for DOD peacetime cargo business, a carrier must enroll in VISA. Its commitment for VISA Stage III must be a minimum of 50 percent of the capacity of its U.S. Flag fleet. Individual carriers' percentage of commitment may be higher for competitive bidding on DOD business or due to MSP requirements.

JOINT PLANNING

☛ The VISA Joint Planning Advisory Group (JPAG) was developed to provide the opportunity for DOD, DOT and industry to plan, in peacetime, how best to use VISA carriers' sealift capacity to meet DOD contingency requirements. The JPAG consists of:

- DOD representatives from USTRANSCOM, Joint Staff, Office of the Secretary of Defense, and warfighting CINCs.
- DOT representatives from MARAD.
- Carriers in VISA that have the appropriate security clearance.

Determining VISA Stages I, II & III



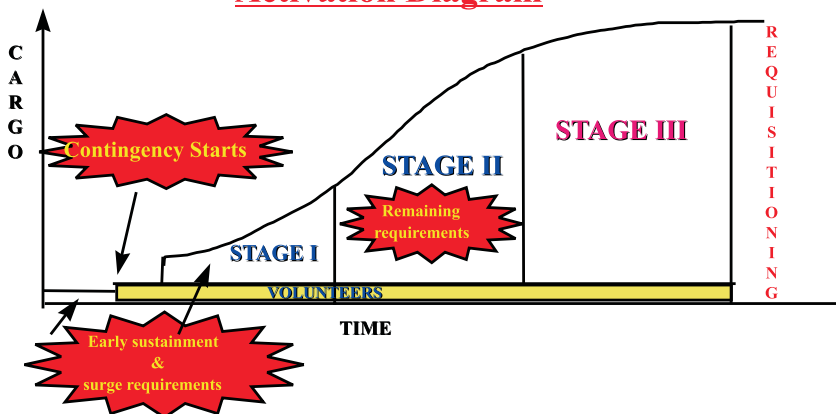
✎ The JPAG develops CONOPs for each carrier and sizes each of the VISA stages to meet the remaining sealift requirements for each major OPLAN that cannot be met by organic sealift. The capabilities of these CONOPs are then applied to the annual contracting process between DOD and the VISA carriers.

ACTIVATION PROCEDURES

✎ Prior to activating VISA, requests for volunteer capacity will be extended simultaneously to both VISA participants and other carriers. First priority for utilization will be given to participants who have signed VISA Stage I and II contracts. Volunteered capacity will be credited against participants' contract commitments in the event such Stages are subsequently activated. See page 12 for commercial sealift priorities to meet DOD requirements.

Voluntary Intermodal Sealift Agreement

Activation Diagram



☞ Stage I will be activated, in whole or part, by the Commander in Chief, United States Transportation Command (USCINCTRANS), with approval of the Secretary of Defense (SECDEF), when voluntary capacity commitments are insufficient to meet DOD contingency requirements. USCINCTRANS will also notify the Maritime Administrator at MARAD upon activation.

☞ Stage II will be activated, in whole or part, by USCINCTRANS following the same procedures as Stage I. Stage II will be activated when Stage I commitments cannot meet the contingency requirements.

☞ Stage III will be activated, in whole or part, by USCINCTRANS upon approval by SECDEF following the same procedures as Stages I and II. Stage III will be activated when contingency requirements exceed the capability of Stages I and II, and other shipping services are not available. Upon activation, SECDEF will request the Secretary of Transportation (SECTRANS) to allocate sealift capacity to meet contingency requirements. All participants' capacity committed to VISA is eligible for use during Stage III.

☞ The SRP may be activated simultaneously with the activation of VISA Stage III for those carriers still under obligation to that program.

VISA PRIORITIES

- ① U.S. Flag vessel capacity operated by a VISA participant and U.S. Flag Vessel Sharing Agreement (VSA) capacity of a participant.
- ② U.S. Flag vessel capacity operated by a non-participant.
- ③ Combination U.S. Flag/foreign flag vessel capacity operated by a participant and combination U.S. Flag/foreign flag VSA capacity of a participant.
- ④ Combination U.S. Flag/foreign flag vessel capacity and VSA capacity of a participant.
- ⑤ U.S.-owned or operated foreign flag vessel capacity and VSA capacity of a participant.
- ⑥ U.S.-owned or operated foreign flag vessel capacity of a non-participant.
- ⑦ Foreign-owned or operated vessel capacity of a non-participant.



SECTION III

SEALIFT READINESS PROGRAM (SRP)

- ✦ The Sealift Readiness Program (SRP) is a formal agreement between U.S. Flag ocean carriers and MSC for the acquisition of ships and related equipment under conditions of less than full mobilization.
- ✦ SRP has never been activated. During Desert Shield/Desert Storm, MSC met requirements by chartering vessels from both SRP volunteers and the open market.
- ✦ Under the Merchant Marine Act of 1936, any vessel receiving MARAD's Construction and/or Operating Differential Subsidies must be enrolled in SRP.
- ✦ Ships currently enrolled in SRP will remain until their obligation expires or they enroll in VISA.

SRP ACTIVATION

SRP is activated when:

- ✦ Available commercial shipping for chartering is insufficient, and;
- ✦ Government owned sealift is not available or sufficient to meet DOD requirements, and;
- ✦ VISA Stage III is activated, and;
- ✦ Approved by SECDEF and SECTRANS. When activated, the Government enters into contract rate negotiations with carriers for needed lift.

SECTION IV

REQUISITIONING

- DOT may requisition for charter or purchase, vessels owned by U.S. citizens (U.S. Flag or EUSC) upon Presidential authorization in accordance with Section 902 of the Merchant Marine Act of 1936.
- EUSC vessels are U.S.-owned but not U.S. Flagged. They are registered under one of five foreign flags: Bahamas, Honduras, Liberia, Panama and the Republic of the Marshall Islands. EUSC is not a treaty or government agreement and the foreign states under which such ships are registered cannot impede United States ship requisitioning. Under these arrangements, the ships may arrive without crews or infrastructure. The EUSC has never been requisitioned under Section 902 of the Merchant Marine Act.

EUSC is requisitioned by DOT/MARAD when:

- DOD contingency requirements exceed the capability of VISA and SRP.
- The President declares a sealift national emergency and specifically grants requisitioning authority to DOT.

SECTION V

GLOSSARY

“Charter” - Any agreement or commitment by which the possession or service of a vessel is secured for a period of time, or for one or more voyages, whether or not a demise of the vessel.

“Commercial” - Transportation service provided for profit by privately owned (not government owned) vessels to a private or government shipper. The type of service may be either common carrier or contract carriage.

“Foreign Flag vessel” - A vessel registered or documented under the law of a country other than the U.S.

“Intermodal equipment” - Containers (including specialized equipment), chassis, trailers, tractors, cranes and other material handling equipment, and ancillary items.

“Liner” - Type of service offered on a definite, advertised schedule and giving relatively frequent sailings at regular intervals between specific ports or ranges.

“Operator” - An ocean common carrier or contract carrier that owns, controls, or manages vessels by which ocean transportation is provided.

“Volunteer” - Any vessel owner/operator who is an ocean carrier and who offers to make capacity, resources, or systems available to support contingency requirements.

OFFICES OF PRIMARY RESPONSIBILITY

United States Transportation Command (USTRANSCOM)

Plans & Policy Directorate

Mobility Analysis Division, Sealift Team (TCJ5-AS)

508 Scott Drive

Scott Air Force Base IL 62225-5357

Commercial: 618-256-6529 or DSN 576-6529

Fax: 618-256-6877, DSN 576-6877

Internet: <http://ustcweb.safb.af.mil>

U.S. Maritime Administration (MARAD)

Associate Administrator for

National Security (MAR-600)

400 Seventh Street S W

Washington DC 20590

Commercial: 202-366-5400

Fax: 202-493-2180

Internet: <http://marad.dot.gov>

