



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

## MANUAL OF ORDERS

### MARITIME ADMINISTRATIVE ORDER

REVOKES

NO.

63-1

EFFECTIVE DATE

July 22, 1999

SUBJECT

#### OFFICE OF SEALIFT SUPPORT

**Section 1. Organization:** The Office of Sealift Support is supervised by a Director who reports to the Associate Administrator for National Security. The office has the following organizational components:

Immediate Office of the Director  
Division of Vessel Transfer and Disposal  
Division of Sealift Programs

**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 Sealift Support, is authorized to exercise all the authorities of the Associate Administrator for National Security required to perform the functions assigned in Department of Transportation Order (DOT) 1100.69A and this order; except authority to:

- 1 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 contract cost or over the last change approved by a higher authority.
- 2 Approve applications filed pursuant to sections 9, 37 (when operative), and 41 of the Shipping Act, 1916, as amended, and any subsequent transactions thereunder, involving the foreign transfer of: 1) ships of 10,000 gross tons or over for foreign operations or bareboat charter, or 2) ships built with construction-differential subsidy.

2.02 Except as otherwise provided, Division Chiefs 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 redelegated in accordance with Maritime Administrative Order (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 the Maritime Administration's (MARAD's) official point of contact for implementation and administration of the Maritime Security Program (MSP) which supports the operations of vessels in the foreign commerce of the United States. This includes the Emergency Preparedness Program (EPP) which is an element of the MSP that assures MSP contractors make their commercial transportation resources available for national security purposes, and the Voluntary Intermodal Sealift Agreement (VISA) program which is the implementing program for the EPP.

3.02 Coordinate activities in the sealift support area with the Department of Defense (DOD), U.S. Transportation Command, the National Security Council (NSC), National Defense Transportation Association (NDTA), and other agencies, as appropriate. Advise DOD of changes in the composition of the commercial sealift fleet to ensure that proper strategies and systems are implemented and utilized.

3.03 Develop plans independently, and in cooperation with DOD, to ensure proper active fleet functions and availability.

3.04 Initiate studies to determine the crew requirements for sealift vessels and DOD's organic fleet.

3.05 Execute contracts for the sale of vessels under section 510(i) of the Merchant Marine Act, 1936, as amended.

3.06 Monitor Congressional activities, including legislation which may impact national security, sealift programs and the U.S. Merchant Marine.

Section 4. The Division of Vessel Transfer and Disposal shall:

4.01 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.

4.02 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 Ship Disposal Award Committee 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.

4.03 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.

4.04 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.

4.05 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 Ship Disposal Award Committee of bid offers; (3) notify bidders of action; and (4) prepare and execute contracts and amendments and modifications thereto and bills of sale.

4.06 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.

4.07 When section 37 of the Shipping Act, 1916, as amended, is operative, and as applicable, administer the provisions of MARAD-held preferred mortgages on ships; recommend the Director, Office of Sealift Support, consent as mortgagee to applications for surrender of marine documents of ships covered by preferred mortgages.

4.08 Approve, disapprove, or recommend approval or disapproval of applications for transfer of ships filed under sections 9, 37 (when operative), and 41, of the Shipping Act, 1916, as amended, including transactions involving ships previously transferred to foreign ownership and/or registry and continuing under MARAD's contractual control, and appointment of Resident Agents by foreign transferees. Document such applications approved and, in collaboration with the Office of Chief Counsel and other offices, prepare formal transfer orders, agreements, and performance guarantees, as required. Report all violations of sections 9, 37 (when operative), and 41, Shipping Act, 1916, as amended, and of conditions of agreements.

MAO 63-1

4.09 Approve or disapprove release of parties from liabilities under existing agreements and guarantees. Prepare and sign letters to notify parties of such approval or disapproval.

Section 5. The Division of Sealift Programs shall:

5.01 Administer the MSP, including the EPP.

5.02 Monitor operations of MSP participants and affiliated vessels to assure compliance with program requirements and to plan availability of sealift assets in relation to the EPP.

5.03 Study the type, size, and mix of ships needed and available for national security purposes, using trade flow and service pattern data to keep alert of changes in service which might impact strategic sealift plans.

5.04 Participate in studies and planning for utilization of all sealift and intermodal assets, with special emphasis on cost analysis, operations, and crew requirement planning.

5.05 In coordination with the Office of Maritime Labor, Training, and Safety, maintain labor forecasts, determining crew requirements for sealift vessels and DOD's organic fleet.

5.06 Administer the Voluntary Intermodal Sealift Agreement (VISA) jointly with the Office of National Security Plans and the U.S. Transportation Command.

5.07 In coordination with the Office of Costs and Rates, analyze U.S. and foreign operating costs, and charter rate data to provide recommendations and advice to the military in the establishment of freight and charter hire rates for military movements of cargo.

5.08 In coordination with the Office of Statistical and Economic Analysis, and other offices as appropriate, administer the collection and analysis of global vessel costs.



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Concurrence:



John L. Mann, Jr.  
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