

U.S. DEPARTMENT OF COMMERCE
MARITIME ADMINISTRATION

MARITIME ADMINISTRATIVE ORDER

REVOKES

NO.

MANUAL OF ORDERS

630-6

EFFECTIVE DATE

June 4, 1980

SUBJECT

RESPONSIBILITIES AND PROCEDURES FOR THE UPGRADING,
MAINTENANCE AND REPAIR, AND ACTIVATION OF RRF SHIPS

Section 1. Purpose:

This Order describes the responsibilities and procedures for: (1) upgrading ships for entry into the Ready Reserve Fleet (RRF) Program; (2) preserving, maintaining, and repairing RRF ships under retention in the NDRF; (3) reporting on the Readiness Status of RRF ships; and (4) activating RRF ships in emergencies or for tests.

Section 2. General:

2.01 Responsibilities and procedures for the control of funds and related activities under the RRF Program are set forth in Maritime Administrative Order (MAO) 630-5.

2.02 The Director, Office of Ship Operations, as Maritime Administration Program Manager for the RRF Program, is responsible for developing and maintaining the annual "RRF Program Plan" which identifies each ship scheduled to enter the RRF Program during the fiscal year. This plan and its associated funding requirements are developed, coordinated, approved, and promulgated consistent with the provisions of MAO 630-5.

2.03 The Director, Office of Ship Operations, is responsible for developing and promulgating national policies and standards to ensure the 5 - 10 day availability of ships to be placed and maintained in the Maritime Administration's Ready Reserve Fleet.

Section 3. Responsibilities for Upgrading of Ships to RRF Status (except ships being upgraded under "Use Agreements"):

3.01 The Office of Ship Operations shall:

- 1 Request the Region Director to develop detailed specifications and an estimate of the cost of the work specified for upgrading specific ships to RRF status, consistent with the RRF Program Plan.

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- 2 Approve the specifications or only segments thereof, taking into consideration the magnitude of the upgrading effort, available resources, market conditions, and the recommendations of the Region Director. (If it is decided to split the upgrading work into more than one contract, the provisions of this Order, as well as those of MAO 630-5, shall apply to each contract.)
- 3 Request the Region Director to issue Invitations for Bid to holders of Master Ship Repair Contracts.
- 4 Upon notification by the Region Director of the apparent successful bidder and the bid amount:
 - (1) consistent with delegated authorities, approve or recommend approval of the execution by the Region Director of a contract for the work, and
 - (2) ensure that sufficient funds are allotted and request allotment adjustments, as necessary.
- 5 Prepare and arrange for the execution of the required pro forma "Service Agreement" (general agency type) for the operation and husbanding of the RRF ship and, at the request of the Region Director, approve the utilization of this agreement to obtain the General Agent's participation in the upgrading of the RRF ship, as applicable and necessary.
- 6 Review progress of the ship upgrading work and revise the RRF Program Plan, as required.

3.02 The Region Directors shall:

- 1 Initially survey ship candidates for the RRF Program for the purpose of developing detailed specifications and estimating the cost of the RRF upgrading work. (If lay-up or other work is involved, which would be paid for from non-RRF funds, this work and its estimated cost should be distinguishable from the RRF enhancement work in the specifications.)
- 2 As requested, issue Invitations for Bids to holders of Master Ship Repair Contracts. (As set forth in 32A CFR 1885, negotiated awards are permissible under certain limited conditions.)
- 3 On the basis of the responses to the Invitations for Bid:
 - (1) evaluate bids and select the apparent successful bidder, and

- (2) notify the Director, Office of Ship Operations, of the apparent successful bidder and bid amount and, consistent with delegated authorities, request approval to enter into a contract for the work.
- 4 Upon approval and after determining that sufficient funds have been allotted, execute a contract with the successful bidder for the upgrading of the ship to RRF status.
- 5 Administer contract provisions and supervise progress under the contract; inspect the work in progress at the shipyard; determine the need for and authorize the performance of supplemental or extra items within authorized funding; and determine when assistance from the General Agent is needed in administering the contract and request approval from the Director, Office of Ship Operations, for the utilization of the "Service Agreement" for this purpose.
- 6 Keep the Director, Office of Ship Operations, advised weekly of progress under the contract and immediately when serious problems arise in the execution of the contract.
- 7 Upon completion of the contract, arrange to have the ship delivered to the designated retention site, and negotiate and effect final contract settlement.

Section 4. Responsibilities for Upgrading Ships Under "Use Agreements" to RRF Status:

4.01 General. Ships acquired by the Maritime Administration under the provisions of Sections 510(a) through (d) of the Merchant Marine Act of 1936, as amended, may be at the time of trade-in simultaneously chartered back to the former owner by means of a "Use Agreement." At the termination of the charter and before delivery of the ship to the NDRF, the Charterer is responsible for placing the ship in a shipyard for drydocking and repairs. In addition, the "Use Agreement" may call for the Charterer to prepare the ship for lay-up pursuant to 32A CFR 1864 (National Shipping Authority Order 64), and, if so decided, to perform additional enhancement work so as to put the ship in RRF status. The Charterer arranges with and pays the shipyard for all of this work, and is reimbursed by the Maritime Administration for that portion of the work for which the Maritime Administration is responsible under the terms of the "Use Agreement." This includes reimbursement from RRF funds for RRF enhancement-type work and reimbursement from the Ship Construction appropriation for lay-up work and towing to the NDRF, as appropriate. The various responsibilities for upgrading a ship to RRF status, under the above described arrangements, are set forth in Sections 4.02 and 4.03 below.

4.02 The Office of Ship Operations shall:

- 1 As ships become available, determine their suitability for inclusion in the RRF program and, as appropriate, initiate action to obtain Navy's approval for upgrading

the ships to RRF status as part of preparing them for lay-up in the NDRF. Modify the RRF Program Plan to reflect these additional ships, as approved.

- 2 As the ship comes off "Use Agreement," develop estimates of the cost of the work to be accomplished for the account of the Maritime Administration, including the enhancement items for the RRF program; arrange for the obligation of ship construction funds and RRF funds, as appropriate; and notify the Region Director of the obligated amounts.
- 3 Prepare and arrange for the execution of the required pro forma "Service Agreement" (general agency type) for the operation and husbanding of the ships.
- 4 Upon receipt of notification from the Region Director as set forth in Subsection 4.03 5 below, authorize payment as appropriate.

4.03 The Region Director shall:

- 1 As requested, survey the ship to identify deficiencies and to develop estimates of the cost of the required shipyard work, including lay-up requirements and RRF enhancement items. Provide the survey and cost estimates to the Director, Office of Ship Operations.
- 2 Review and approve the Charterer's work specifications to ensure that all agreed upon redelivery obligations, lay-up requirements, and RRF enhancements are properly included therein.
- 3 Monitor the performance of the shipyard work so that, when completed, the ship will meet the standards established for inclusion in the RRF Program. As needed, determine requirements for supplemental or "extra" items and provide this information to the Charterer for inclusion in the specifications for the shipyard work. Keep the Director, Office of Ship Operations informed weekly as to work progress and expected completion dates.
- 4 Maintain records of the cost of the shipyard work. In the event that additional work is needed, the cost of which would exceed obligated funds, advise the Director, Office of Ship Operations of the nature and estimated cost of this work in order that sufficient funds may be obligated.
- 5 Review billing documents submitted to the Maritime Administration by the Charterer to ensure that the items claimed therein were actually accomplished and determine whether the associated cost is fair and reasonable. Advise the Director, Office of Ship Operations, accordingly.

Section 5. Responsibility for the Preservation, Maintenance, and Repair of RRF Ships in Active Retention (Phase III) Status in the NDRF:

5.01 The Office of Ship Operations shall:

- 1 For each ship-type in the RRF Program, promulgate detailed preservation, testing, and inspection procedures to be followed at the reserve fleets as part of ensuring that RRF ships are capable of being placed into service in a 5 - 10 day period.
- 2 On the basis of estimates for repair of RRF ships submitted by the Region Director, and taking into consideration available funds, determine and include funds for the repair of specific RRF ships in the RRF Program Plan. The Plan will provide also for a contingency allowance for minor repairs. The amount of this allowance should be about 10 percent of the total allowance for repairs to all RRF ships, by Region.
- 3 Request issuance of allotments to the Region Director, accordingly.
- 4 At least semiannually, conduct surveys of the preservation and maintenance of RRF ships to determine program effectiveness and institute improvements, as needed.

5.02 The Region Director shall:

- 1 Conduct a continuous preservation, testing, and inspection program for each RRF ship. Arrange for minor repairs, within contingency fund availability.
- 2 Arrange for the periodic inspection of RRF ships by the General Agent, the American Bureau of Shipping, the U.S. Coast Guard, and the Federal Communications Commission. Provide copies of reports of these inspections to the Director, Office of Ship Operations.
- 3 Based on the results of the tests and inspections conducted pursuant to Subsections .5.02 1 and 5.02 2, above, prepare RRF Ship Status Reports as set forth in Section 6 of this Order.
- 4 On the basis of the RRF Program Plan and receipt of funds, develop specifications and issue Invitations for Bid for the maintenance and repair work. Select successful bidder and, consistent with delegated authorities, enter into a contract for the work. (See parenthetical note in Subsection 3.02 2 above.)
- 5 Oversee contract performance; effect contract settlement.

Section 6. Reporting on the Status of RRF Ships in Active Retention in the NDRF:

6.01 On the basis of the tests and inspections on each RRF ship, the Fleet Superintendent shall submit a report to the Region Director identifying any outstanding deficiencies. The report shall also identify deficiencies which were corrected either by the reserve fleet personnel or by a contractor.

6.02 On the basis of the above reports and other available information and surveys, the Region Director shall prepare and submit an RRF Ship Status Report to the Assistant Secretary for Maritime Affairs, with a copy to the General Agent. The report (one for each RRF ship) shall list only the ship's major outstanding deficiencies. The reporting form and instructions are set forth in the Exhibit to this Order. A copy of this report, along with copies of the reports from the Fleet Superintendent and other supporting data and surveys shall be provided also to the Director, Office of Ship Operations.


Section 7. Responsibilities for Activation of RRF Ships from the National Defense Reserve Fleet:

7.01 The Office of Ship Operations shall:

- 1 Upon notification by Navy (MSC) that an RRF ship is to be activated for a defense emergency or a no-warning test:
 - (1) immediately notify the Region Director by the fastest possible means (telephone notification is to be confirmed by telegraph) as to the specific ship(s) to be activated,
 - (2) advise other Maritime Administration headquarters officials of the required activation,
 - (3) arrange for an allotment of funds to the Region Director for the activation work, and
 - (4) notify U.S. Coast Guard, American Bureau of Shipping, Federal Communications Commission, and the appropriate Union Headquarters of the urgency of the activation.
- 2 Advise the General Agent as to the place of deactivation and arrange to have the General Agent or the Region Director supervise the deactivation of the RRF ship, as appropriate.

7.02 The Region Director shall:

- 1 In preparation for the activation of RRF ships, develop jointly with the General Agents activation plans and standard activation specifications for each RRF ship; as developed, provide copies of these plans and specifications, or changes thereto, to the Director, Office of Ship Operations.
- 2 Upon receipt of notification of the requirement to activate an RRF ship(s), notify by telephone (and confirm by telegraph) the appropriate General Agent and direct the General Agent to execute the activation plan to place the vessel in operation within 10 days. As part of this process, the General Agent is responsible for having the RRF ship crewed, fueled, victualled, outfitted, repaired, and otherwise ready to receive cargo.
- 3 Determine whether the General Agent or the Maritime Administration should assume responsibility for towing the RRF ship from the NDRF site to the ship repair facility designated by the General Agent. Make towing arrangements, as appropriate.
- 4 Direct the Fleet Superintendent to have the RRF ship ready and available for tow at the estimated arrival time of the tugs.
- 5 Monitor the activation (and subsequent deactivation) of the RRF ship by the General Agent. Maintain records of work accomplished and the estimated costs. Keep the Director, Office of Ship Operations, advised by telephone (daily for activations and weekly for deactivations) as to progress and problems.
- 6 Effect settlement and pay the General Agent amounts due consistent with the "Service Agreement" and 32A CFR 1831 and 1832, as applicable.


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Assistant Secretary
for Maritime Affairs

1A-863 (1-80) MAR-5114 <u> R R F S H I P </u> <u>S T A T U S R E P O R T</u>	1. Name of Ship
	2. Report Number (consecutive)
	3. Name of General Agent
	4. Region Director's Signature and Date

5. List below each major deficiency or group of deficiencies which may impact on the 5-10 day readiness status of the ship. An initial report shall be prepared for each ship with additional reports prepared as conditions previously reported change.

Identify Deficiency (Briefly)	Estimated Costs	Funds Allocated	
		Yes	No