



US Department
of Transportation
Maritime
Administration

MANUAL OF ORDERS

MARITIME ADMINISTRATIVE ORDER

REVOKES

MAO 440-3, dtd.
7-22-83; Amdt. 1,
dtd 3-26-84

NO.

440-3

EFFECTIVE DATE

October 25, 1988

SUBJECT

SHIP VALUATION COMMITTEE

Section 1. Purpose:

This order authorizes the establishment of the Ship Valuation Committee, designates the membership, and sets forth the committee functions and responsibilities.

Section 2. Establishment and Membership:

2.01 There is hereby established a Ship Valuation Committee responsible to the Maritime Administrator.

2.02 The regular voting membership of the committee shall be:

- 1 Director, Office of Ship Construction, who shall serve as chairperson.
- 2 Director, Office of Ship Operations, who shall serve as vice chairperson.
- 3 Director, Office of Financial Approvals.
- 4 Chief, Division of Capital Assets Management.
- 5 A member of the Office of the Chief Counsel, designated by the Chief Counsel or the Deputy Chief Counsel.
- 6 Chief, Division of Marine Plans.
- 7 Chief, Division of Port and Intermodal Planning.

2.03 The Director, Office of Trade Analysis and Insurance, shall serve as an advisor on insurance matters and as a nonvoting member of the committee.

2.04 The Assistant Secretary of the Maritime Administration/Maritime Subsidy Board (Assistant Secretary) shall serve as Committee Secretary. In this capacity, the Committee Secretary shall be a nonvoting member of the committee.

2.05 As needed, staff member(s) of the Division of Cost Estimates and Analysis shall advise the committee by providing ship valuations and the research and preparation of information required for consideration by the committee at its scheduled meetings. In this capacity, the Division's representative(s) shall be a nonvoting member of the committee.

2.06 Each member shall designate an alternate to serve only in the absence of the member or, with the concurrence of the committee chairperson, in the member's preoccupation. An alternate shall at no time serve as chairperson or vice chairperson.

2.07 All official actions of the committee shall be by affirmative vote of at least four of the voting members or alternates present, with five to constitute a quorum.

2.08 All recommendations of the committee shall be cleared by the Associate Administrator for Policy and International Affairs, Associate Administrator for Maritime Aids, and the Chief Counsel before being sent to the Maritime Administrator.

Section 3. Functions:

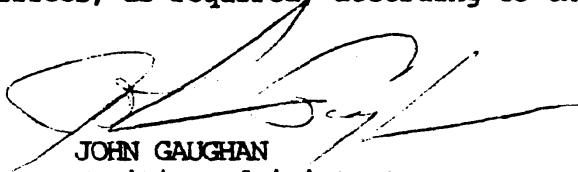
3.01 The Ship Valuation Committee shall be responsible for:

- 1 Developing and recommending, within established policies: trade-in allowances on ships traded-in under sections 507 and 510, Merchant Marine Act, 1936, as amended; and the fair and reasonable value of ships being purchased or sold by subsidized shipping lines; and the values of ships for war risk insurance purposes.
- 2 Developing and recommending changes in established policy and values.
- 3 Developing and recommending to the Maritime Administrator the values of ships and revised values thereof, as circumstances require, for purposes of requisitioning ships in emergencies, and for other purposes.
- 4 Determining and reporting current ship values periodically, or as required, to the Office of Trade Analysis and Insurance and other appropriate offices.
- 5 Establishing requirements and standards for the collection and analysis of data reflecting ship values, including sales prices of ships, and dissemination of these data at the direction of the Maritime Administrator.
- 6 Developing, in accordance with established guidelines, and recommending to the Maritime Administrator the beginning and final bids that the Government should make in ship foreclosure actions, except those involving the Title XI program. (The Associate Administrator for Maritime Aids shall develop bid strategies for Title XI program actions and shall develop annually for accounting purposes the market value of all ships held by the Federal Ship Financing Fund.)

3.02 The Chairperson of the Ship Valuation Committee is authorized to:

- 1 Continue to negotiate and administer existing agreements with professional Ship Appraisers for ships being valued by the Ship Valuation Committee, in amounts not to exceed \$350 per appraisal, until expiration of these agreements. Authority to execute such agreements shall not be redelegated. Prior to expiration of existing agreements, assist the Office of Acquisition in executing contracts with Ship Appraisers for award upon expiration of existing agreements. Assist in the administration of any new contracts.
- 2 Prepare for the Secretary of the Maritime Administration the publication for the Federal Register of 46 CFR Part 309 and amendments thereto, setting forth values of ships for war risk insurance purposes, as approved.

3.03 In pursuing its functions, the Ship Valuation Committee shall utilize the services of other offices, as required, according to their assigned functions.



JOHN GAUGHAN
Maritime Administrator