

COMSCINST 5420.2F	COG CODE N72	DATE 6 JUL 1988
-------------------	--------------	-----------------



DEPARTMENT OF THE NAVY  
COMMANDER MILITARY SEALIFT COMMAND  
WASHINGTON NAVY YARD BLDG 210  
901 M STREET SE  
WASHINGTON DC 20398-5540

COMSCINST 5420.2F  
M-4E  
6 July 1988

## COMSC INSTRUCTION 5420.2F

Subj: SALVAGE OF MSC SHIPS

- Ref: (a) OPNAVINST 4740.2E, Salvage and Recovery Program  
(b) NAVSEAINST 4740.8, Salvage, Recovery and Open Sea Spill Response Programs  
(c) COMSCINST 5890.1, General Average and Salvage  
(d) COMSCINST 3120.2D, Administrative and Operating Procedures for MSC ships (less contract-operated tankers)  
(e) COMSCINST 3121.9, Standard Operating Manual (SOM)

Encl: (1) Navy Salvage Services Available to MSC

1. Purpose. To establish policy and procedural guidelines for salvage of MSC ships.
2. Cancellation. COMSCINST 5420.2E.
3. Background

a. Reference (a) describes the legislative basis for the Navy's salvage and recovery program, delineates the policies governing same, defines the types of salvage operations, and assigns the Commander, Naval Sea Systems Command (COMNAVSEASYSCOM) specific technical, operational, and managerial responsibilities. With respect to MSC, the relevant provisions of reference (a) direct that COMNAVSEASYSCOM shall maintain salvage expertise, assume responsibility for any salvage or recovery operation when so assigned or requested, and contract for and/or settle claims form commercial salvage support. Reference (b) establishes COMNAVSEASYSCOM procedures with respect to these responsibilities and designates the Supervisor of Salvage (SUPSALV) as the executive agent in all matters of salvage, emergency towing, search and recovery, and other similar activities. In conjunction with these responsibilities, SUPSALV maintains

COMSCINST 5420.2F

6 July 1988

contracts with firms in the United States and abroad to provide worldwide salvage, towing, search and recovery services. Reference (c) establishes procedures and defines responsibilities for the investigation of certain marine casualties and for the processing of general average claims.

b. COMNAVSEASYSCOM funds ship salvage operations and obtains reimbursement in accordance with the terms and conditions delineated in reference (b). Excerpts relevant to MSC are presented in enclosure (1).

c. The normal chain of command for a salvage incident is for the endangered vessel's Master to inform the cognizant Fleet Commander of the need for assistance, who will determine the availability of appropriate salvage assets at his disposal. If none are available, the Fleet Commander will request NAVSEA to assume responsibility.

4. Policy. The following COMSC policies are established:

a. That all salvage affairs for MSC vessels (USNS or commissioned), whether civil service manned or contract operated, shall be conducted by COMNAVSEASYSCOM under the terms and conditions of references (a) and (b).

b. That all salvage affairs for vessels chartered to MSC (time, spot, or voyage) shall be conducted under the terms of the charter contract. On behalf of the ship owner, MSC may request salvage support from COMNAVSEASYSCOM under the terms and conditions of references (a) and (b).

c. That an MSC Salvage Board shall be established and convened as necessary to serve as liaison between COMSC, SUPSALV, and other involved parties (such as contract operators or ship owners).

5. Restrictions. This instruction provides operational and managerial information and implies no conclusion regarding the scope of the law of salvage or legal rights and obligations arising thereunder.

6. Applicability. The policies established herein shall apply to all situations where an MSC vessel (USNS or commissioned) requires towing or salvage assistance. Where an MSC vessel renders towing or salvage assistance to another vessel in distress, all claims shall be handled in accordance with reference (d) and (e).

6 July 1988

7. Responsibilities. The following responsibilities are assigned:

a. COMSC. Establish a COMSC Salvage Board, chaired by the engineering Officer (M-4E) and composed of staff representatives from Operations, Engineering, and Counsel. The Board shall be convened when a salvage situation is imminent. Functions of the Salvage Board shall be:

(1) consider appropriate action and make recommendations to the ship's Master as to possible courses of action;

(2) during USN salvage operations, expedite communication and action between COMSC, administrative and Subarea Commands, OPNAV, NAVSEA, SUPSALV, and other involved parties;

(3) provide technical ship data (structural and arrangement plans, hull offsets, stability records, damage studies, etc.) to SUPSALV upon request;

(4) brief COMSC regarding salvage progress; and

(5) as appropriate, dispatch a member to the salvage location to act as the on-site COMSC representative, for purposes of liaison and observation. This representative will not normally have salvage duties, since these will be the responsibility of the on-site Navy salvage officer. However, the MSC representative may be directed to provide technical assistance to the salvage officer.

b. Administrative and Subarea Commanders:

(1) In the case of a salvage situation involving an MSC vessel, the administrative or Subarea Commander in whose area the incident occurred will take the following action:

(a) upon notification by a Master of need for assistance or salvage, immediately contact the appropriate Surface Force Commander and offer any assistance required and inquire as to the intended course of action;

(b) during the salvage operation establish and maintain direct liaison with the cognizant salvaging activity (either the Surface Force Commander or SUPSALV). This liaison may be effected through the Master or Commanding Officer of the stricken vessel;

(c) make situation reports to COMSC providing information concerning salvage progress and procedures, plan of action, status of crew, disposition of cargo, weather conditions, technical details, etc.;

COMSCINST 5420.2F

6 July 1988

(d) make arrangements for obtaining repair services (shipyard, drydock, towing, etc.) once the salvaged vessel has been brought to port; and

(e) establish liaison with cognizant representatives of the U.S. State Department if the incident occurs in a foreign country and establish liaison with such foreign military forces as the State Department may deem appropriate.

(2) In the case of a salvage situation involving MSC cargo on a commercial vessel, the administrative or Subarea Commander in whose area the incident occurred will take the following action:

(a) inform the vessel's Master or owner of the availability of Navy salvage services, described in enclosure (1);

(b) at the request of the Master or owner, obtain Navy salvage services and assist in any other way possible;

(c) submit an investigation report as per reference (c); and

(d) monitor salvage and repair operations when the incident occurs as a result of enemy action in a war risk zone and submit additional reports to COMSC, including such information as salvage or repair progress and owner's arrangements with respect to obtaining towing and/or drydocking services.

(3) The administrative and Subarea Commanders will make recommendations to COMSC for the improvement of MSC salvage policy and procedures, equipage, etc.

c. MSC ships (civil service manned or contract operated). Masters and Commanding Officers of MSC ships are responsible for initiating requests for salvage assistance in accordance with the procedures of references (d) and (e) and will cooperate to the extent feasible with the authorities responsible for the salvage effort.

Distribution:  
(See page 5)

6 July 1988

Distribution:

SNDL 41B (MSC Area Commands) (LANT & PAC only) (50)  
41B (MSC Area Commands) (FE, EUR, SWA only) (10)  
41C (MSC Subarea Commands) (5)  
41D3 (MSC Offices)  
41M (TAGOS Support Units)  
T-100 (Masters, civil service manned ships)  
T-101 (Masters and operators, contract-operated tankers)  
T-102 (Masters and operators, Fast Sealift ships)  
T-103 (Masters and operators, T-AGOS ships)

Copy to:

SNDL A2A (Judge Advocate General) (13)  
A3 (CNO OP09B1)  
B5 (U.S. Coast Guard ) (5)  
FKA1G (NAVSEASYSCOMHQ) (5)  
21 (Fleet Commanders in Chief) (4)  
22 (Fleet Commanders) (4)  
23 (Force Commanders) (18)

NAVSEA00C (30)

00E

09B1 (5)

09B362 (25)

6 July 1988

## NAVY SALVAGE SERVICES AVAILABLE TO MSC

The following are excerpts from NAVSEAINST 4740.8, "Salvage, Recovery and Open Sea Spill Response Programs," dated 24 Jul 87. The selected excerpts describe terms, conditions, costs, and policies with respect to Navy salvage support available to MSC.

### **Section 1, paragraph 3(b), Terms and Conditions of Salvage Services:**

*"The Navy provides salvage services to ships and aircraft under terms and conditions which depend upon the ownership and status of the ship or aircraft requiring the service. Terms and conditions for salvage services to United States naval ships and aircraft, ships of the Military Sealift Command, and commercial ships and aircraft are delineated in Section 2."*

### **Section 2, paragraph 2, Military Sealift Command (MSC) Ships:**

*"Military Sealift Command (MSC) ships fall into several categories. The category affects the terms and conditions under which salvage operations are undertaken:*

*"a. MSC Commissioned or In-Service Ships are Public Vessels of the United States. Charges for salvage services rendered to them by naval forces are limited to out-of-pocket expenses including fuel and water. If contractor services are provided, full contract rates are charged.*

*"b. MSC Contract Operated Ships are government owned ships with contractor crews. When hull and machinery insurance is carried, salvage services are provided on the same basis for MSC Chartered Ships. When hull and machinery insurance is not carried, salvage services, are provided on the same basis as for MSC Commissioned Ships.*

*"c. MSC Chartered Ships are required to provide full normal marine insurance. When salvage services are provided to these ships by naval forces or under Navy contract, full per diem and out-of-pocket charges are made."*

### **Section 3, paragraph 2, Per diem rates for salvage services:**

*"a. Ships, Tugs and Floating Craft. Effective 1 June 1987 and subject to the rules set forth herein, the following rates per 24 hour day or fraction thereof are established for salvage services provided by the Navy:*

<i>(1) Salvage Ship (ATS)</i>	<i>\$25,000</i>
<i>(2) Salvage Ship (ARS)</i>	<i>\$23,000</i>
<i>(3) Fleet Tug (ATF)</i>	<i>\$21,000</i>

6 July 1988

(4) Fleet Tug (T-ATF 166 class)	
with salvage crew	\$20,000
without salvage crew	\$18,000
(5) Rescue Ship (ASR)	
with saturation diving system	\$24,000
without saturation diving system	\$22,000
(6) Large Tug (YTB)	\$ 5,000
(7) Medium Tug (YTM)	\$ 4,000
(8) Small Tug (TYL)	\$ 3,000
(9) Floating Crane (200 ton) (YD)	\$ 7,500
(10) Diving Tender (YDT)	\$ 3,000

*“These rates set forth include the ship or craft, her operating crew, and the towing hawser. Rates for types of ships and craft other than listed will be established on a case basis. Per diem charges normally begin when the assisting ship leaves her berth or is diverted from her voyage and end when she returns to her berth or resumes her voyage upon the completion of the salvage operation.*

*“b. Salvage and spill response equipment. When portable salvage, oil and hazardous substance spill response or special equipment is used, a per diem charge is made for that equipment based upon equivalent commercial rates. If commercial rates are not available, the charge will be established on a case basis. Lost or damaged equipment is billed at replacement or repair cost.*

*“c. Billing on a per diem basis for salvage operations involving privately owned vessels is solely a matter of policy. The Navy does not waive nor surrender the right to submit a salvage bonus claim. Per diem billing is made on the express condition that the bills be paid promptly and in full. Until receipt of payment, all salvage rights are reserved, including the right to withdraw the per diem billing without notice and present a claim on a salvage bonus basis.*

*“d. Because of the wide variety of equipment and skills used in salvage, search and recovery and oil and hazardous substance spill response efforts, it is impractical to detail the charges for each type of equipment or skill that may be required. The Supervisor of Salvage is guided by, but is not required to adhere to, the Navy Comptroller Manual (NAVSO P-1000) when determining charges for equipment for which there are no published rates. This manual also provides a basis for computing statistical charges for services to public vessels and aircraft.”*

### **Section 3, paragraph 3, Out of Pocket Costs:**

*“Charges for salvage operations on privately owned vessels may include, in addition to the per diem charges for ships and equipment, additional charges for certain out-of-pocket costs. Out-of-pocket costs are defined as direct and documentable costs associated with providing a salvage service at a particular time and place. They may include:*

6 July 1988

*“a. Consumable materials, including lube oil, expended in the course of the operation for the operation.*

*“b. Fuel consumed and water (if any) procured.*

*“c. Equipment lost or destroyed, damaged, or expended.*

*“d. Repairs to equipment or ships directly attributable to the salvage operation.*

*“e. Navy Industrial Fund charges.*

*“f. Travel and per diem costs.*

*“g. Civil Service employee overtime.*

*“h. Transportation of Things (TOT).*

*“i. Rental of commercial equipment.*

*“j. Other specific procurements and direct charges.*

*“Out of pocket costs may be documented by logs showing equipment usage and personnel employment, copies of rate sheets, leases, agreements, travel costs, survey sheets, invoices, etc. Where per diem charges are made for salvage ships and floating craft, there is normally no additional charge for the first two items of out-of-pocket costs listed. Fuel, lube oil, water and consumables expended in the ordinary course of operation of the salvage vessel are included in the per diem charges.”*

**Section 3, paragraph 4, Salvage services to Government vessels and activities:**

*“Salvage operations are conducted for naval activities and other Federal activities on a cost reimbursable basis. There are some exceptions to this general rule noted in the basic instruction. When salvage is conducted on foreign vessels and aircraft, the charges are determined on a case basis as they may be affected by intergovernmental agreements. Per diem charges are not normally made for services rendered by Navy salvage ships to another Government agency. In such cases, the bill is usually limited to out of pocket costs, including fuel, lube oil and water consumed.”*

**Section 3, paragraph 5, Contractor Charges:**

*“Contractor charges and fees for a salvage operation may be passed directly to the customer. The contracts are administered by the Supervisor of Salvage and include rate information. The Supervisor of Salvage will decide if the costs are to be passed on and will pass them directly without addition to the organization requiring the service. Contractor charges are documented by contract rates, invoices and supporting documents.”*



COMSCINST 5420.2F

6 July 1988

**Section 3, paragraph 6, Personnel:**

*“Rates for additional personnel such as salvage masters, lift masters, Mobile Diving and Salvage units and extra diving crews will be as established in the Navy Comptroller Manual and based on military and civil service pay scales. Travel, per diem, and overtime expenses will be charged at cost.”*

**Section 3, paragraph 7, Policy:**

*“Charges for Navy salvage services are independent of the values involved and of the success of the operation. The user will be billed in the full amount, regardless of whether the vessel is salvaged or lost, and irrespective of the ultimate success or failure of the salvage operation.*

*“The Navy does not maintain salvage facilities beyond its own requirements. However, it is authorized by 10 U.S. Code 7361-7367 to provide salvage facilities for private vessels in appropriate circumstances. This authority does not obligate the United States or the Department of the Navy to maintain excess salvage facilities nor to render salvage assistance on all occasions or in response to all requests. However, the policy of the Department of the Navy is to assist in the salvage of privately owned vessels when such assistance is required and requested, where adequate privately owned salvage facilities do not exist or are not readily available, and where Navy salvage assets are reasonably available.”*

(End of excerpts)