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No. 75-16)

DEPARTMENTS OF THE ARMY,
THE NAVY,
AND THE AIR FORCE

Washington 25, D. C., 19 August 1959

SINGLE MANAGER FOR OCEAN TRANSPORTATION

Accessorial and other miscellaneous services relative to
dry/reefer cargo; responsibility for

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Encl: (1) Schedule of Payment Responsibilities Under Berth Term or
Berth Term Negotiated Rates
(2) Schedule of Payment Responsibilities Under Shipping Contracts
or MSTS Individually Negotiated FI, FO, or FIO Rates, As
Applicable
(3) Schedule of Payment Responsibilities Under Time Charter,
Voyage Charter, and GAA Vessels
(4) Schedule of Payment Responsibilities for USS or USNS Vessels

1. Purpose. The purpose of this instruction is to delineate the responsibility of the Military Sea Transportation Service, the shipper services, and the vessel operators respectively for the performance, payment and cost of stevedoring, port services, terminal services

and other miscellaneous services accessorial to the ocean shipment of military sponsored cargo. The delineation of responsibility of the vessel operator, as set forth herein, is for the guidance of MSTS and shipper service personnel only. Vessel operators are separately

advised regarding their cost responsibility. In the event of conflict between this instruction and the provisions of various contracts binding the Government, the provisions of such contracts will prevail.

2. Cancellation. COMSTS INSTRUCTION 7240.1 and all other Regulations, instructions, Directives or correspondence in conflict with the information contained herein are cancelled and superseded.

3. Policy. This instruction applies only to military sponsored dry or reefer cargo loaded to space in vessels provided to the shipper service by MSTS under the contractual agreements or ownership indicated in paragraph 5. This instruction does not cover the handling of vessels stores at military terminals nor does it cover such commercial cargo as military terminals may agree to handle over their pier for commercial vessel operators. The recovery of costs for the handling of vessels stores or commercial cargo at military terminals is a matter for agreement between the military terminal operator and the vessel operator or MSTS, as appropriate. Subject to the above, the listings of responsibility for performance and costs in enclosures (1) to (4) will be used to indicate the respective responsibilities of MSTS, commercial vessel

operators, and the respective shipper services for vessel and cargo costs in connection with the shipment of military sponsored material. It should be noted that the listings of responsibility specify the party ultimately chargeable for the cost item described. Collection and billing procedures vary, depending on whether vessels are loaded at commercial or military piers, and vary with the fiscal procedures of the respective shipper services and the carriers involved.

4. Responsibility for Performance. It is the responsibility of MSTS to provide a vessel that is properly equipped, outfitted, and cleaned and in all respects ready for the loading of cargo offered, except as noted elsewhere. MSTS is responsible for ensuring that cargo is delivered to designated ports of discharge without additional accessorial charges except those which may be expected at the origin loading port and final discharge port in accordance with the terms of the cargo offering and space acceptance.

5. Definitions.

a. Berth Term. This term pertains to shipments made in commercial vessels operating on established trade routes at transportation rates assessed under the provisions of the applicable commercial tariff. Normally, the applicable tariff rates include the responsibility of the

carrier to load and discharge the cargo. Heavy lifts, beyond certain weights, are specified in some tariffs as excluded from carrier responsibility to load and discharge.

b. Berth Term Negotiated Rates. This term pertains to shipments made under berth terms, cited above, but at rates negotiated between MSTS and the carrier.

c. Shipping Contract (Free In and Out). Such shipping contracts are executed between the MSTS and commercial water carriers providing for the ocean transportation of cargo at special rates, usually on regularly scheduled vessels operating on established trade routes. Such contracts provide that stevedoring services are to be performed by, or are for the account of, the Government as represented by the shipper service sponsoring the cargo. These contracts further provide that when stevedoring services are performed during overtime hours at the request of the carrier, all terminal overtime differential costs required to support the operation are for the account of the carrier.

d. Negotiated FIO-FI or FO Rates. This term pertains to shipments made under special agreements arranged by MSTS and the transporting commercial water carrier. These agreements provide for payment of transportation

charges at other than berth term tariff or shipping contract rates for the ocean transportation of a given shipment from a specified loading port to a specified discharge port. The FIO agreement provides that the Government, represented by the shipper service, will be responsible for loading and discharging in the same manner as provided in the shipping contracts. FI means that the Government is responsible for loading and the carrier for discharging. FO means that the carrier is responsible for loading and the Government for discharging.

e. Time Charter. This term pertains to shipments transported in commercial vessels for which the Military Sea Transportation Service has executed a contract for the exclusive use of the vessel for a specified period of time.

f. Voyage Charter. This term pertains to shipments transported in commercial vessels for which the Military Sea Transportation Service has executed a contract for the exclusive use of the vessel for a specified voyage or voyages.

g. General Agency Agreement. This term pertains to shipments transported in government owned vessels operated under cost-plus-a-fixed-fee contracts by commercial ocean shipping companies acting as general agents for the National

Shipping Authority of the U. S. Maritime Administration, Department of Commerce, with whom the Military Sea Transportation Service has entered into agreements for the exclusive use of such vessels.

h. USNS. This is the identifying prefix symbol indicating in-service government owned vessels operated by civilian crews.

i. USS. This is the identifying prefix symbol indicating commissioned government owned vessels operated by military crews.

j. Shipper Services. The term shipper service as used in this instruction is intended to mean all military departments; that is, Army, Air Force and Navy, including Marine Corps.

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For explanation of abbreviations used, see AR 320-50.

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Schedule of Payment Responsibility for Costs of
Accessorial and Other Miscellaneous Services
(Dry/Reefer Cargo)

Berth Term or Berth Term Negotiated Rates

1. Background.

Shipments under ocean government bills of lading under berth term tariff rates generate various types of charges as follows:

- a. Ocean transportation charges including surcharge rates for heavy lifts, split deliveries, creosoted products and ad valorem.
- b. Accessorial charges for items such as wharfage, cargo handling, landing taxes on cargo, and beyond delivery. These items may be included on ocean GBLs but must be billed separately.
- c. When military cargo is handled over commercial terminals, carriers will follow commercial practices in making payment of all normal accessorial charges assessed against the cargo which are the ultimate responsibility of the government, subject to reimbursement as indicated below. When berth term shipments are moved over military piers, the terminal will normally bill the carrier only for the stevedore services and vessel charges for which the carrier is responsible at a commercial terminal.

2. Coastwise and Intercoastal Shipments.

For continental United States (excluding Alaska) coastwise and intercoastal berth term shipments, the shipper services will pay all ocean transportation and accessorial charges. The GBLs will cite the funds and paying office of the responsible shipper service.

3. Overseas Shipments.

For berth term shipments moving from, to or between overseas points, the GBLs will cite the MSTS Industrial Fund and the appropriate MSTS paying office, and the carrier will include all transportation and accessorial charges incurred for the account of the shipper in its public voucher submitted with the accomplished GBL for payment. Accessorial charges which are the responsibility of the shipper service will include, but will not be limited, to the following:

- a. Dunnage, lashings, magazines, and special fittings when not required to be furnished by the carrier.
- b. Cargo handling costs to and from end of ship's tackle unless included in the ocean freight rate.
- c. Landing charges against the cargo.
- d. Wharfage, assessable on cargo.
- e. Transfer charges, actual or constructive, applicable to shipments to or from the Panama Canal Zone, based upon Panama Canal Company Canal Zone Government official tariffs.

Schedule of Payment Responsibility for Costs of Accessorial and
Other Miscellaneous Services (Dry/Reefer Cargo)Shipping Contract of MSTS Individually Negotiated FI, FO, or FIO
Rates, As Applicable1. Responsibility of the Carrier.

The carrier is responsible for the cost of the following services.

a. Port Charges and Other Expenses:

- (1) Pilotage.
- (2) Tug hire.
- (3) Line handling.
- (4) Utilities and other services required by the vessel.
- (5) Dues, fees, including lighthouse fees, and/or taxes assessed against the vessel.
- (6) Dockage, berthage and sheddage.
- (7) Harbor and quay dues chargeable to ship.
- (8) Agency fees.
- (9) Canal transit tolls.
- (10) Customs.
- (11) All charges in connection with vessel entrance and clearance.

b. Ship Operating Costs:

- (1) Maintenance of winches, ship's booms and running gear in operable condition for the cargo offered.

- (2) Providing and rigging spark arrestors and ventilator screening when required.
- (3) Fireboats, tugs and pilots when required on a standby basis during ammunition, explosives or other hazardous cargo handling operations.
- (4) Shifting alongside or between piers at military terminals for convenience of the carrier.
- (5) Ballast, including handling costs.
- (6) Preparing vessel for cargo loading or discharging including restowage of previously loaded cargo, shifting, removal or restowage of excess vessel dunnage.
- (7) Dunnage one inch or under except as otherwise specified in the contract. (See Item 3.a.(9)).
- (8) Dunnaging over military cargo loaded in another port. (See Item 3.a.(10)).
- (9) Dunnaging over commercial cargo.
- (10) Crew overtime and penalty wages except for members of the crew actually performing stevedoring.
- (11) (a) Detention time in stevedore and terminal operations resulting from fault or failure of the vessel, its equipment or personnel. (See Item 3.a.(20)).
(b) Stevedore and terminal standby time incurred due to fault or failure of vessel to arrive on schedule.
- (12) Fumigation required for reasons other than contaminated Government cargo.

- (13) Excess cost in connection with removal of pontoons, hatch covers and beams from vessel to place of rest on the dock and return due to occupancy of deck space by previously loaded commercial cargo. (See Item 3.a.(8)).
- (14) Building and removing tables in hatch to make allocated space acceptable.
- (15) Labor and material for shoring and removal of shoring not required by the nature of the cargo but ordered by the Master for the convenience of:
 - (a) the vessel,
 - (b) unoccupied space reserved for subsequent loading, and
 - (c) previously stowed military or commercial cargo.
- (16) Cleaning cargo space after discharge of cargo.
- (17) Coopering resulting from improper care/custody by vessel.
- (18) Differential costs incident to the performance of stevedoring and terminal services required to sustain stevedore operations when work outside of normal working hours is not specifically requested and performed for the account of the government. (See Items 3.a.(1) and 3.a.(2)).
- (19) Securing for sea.
- (20) Shifting of vessel excess dunnage between hatches or between hatch levels and for additional opening or closing incidental thereto.
- (21) Tallying of mail and/or security cargo by ship's personnel.

(22) Cost of heavy lift equipment used in lieu of ship's gear at the direction of or request of the carrier to load or discharge units of heavy lift cargo when:

- (a) space accepted is within reach of ship's heavy lift gear which has the capability of lifting the cargo offered, or
- (b) space tendered is not served by ship's heavy lift gear, but the space is accepted on condition that carrier will absorb such cost. (See Item 3.a.(14)).

(23) Opening and closing of hatches and unabsorbed time of commercial stevedores due to minimum hour guarantees when less than 5,000 cubic feet of space is offered in one hatch, and such space is accepted on the condition that the carrier will reimburse the loading and discharging activity for the additional costs incurred for opening and closing any hatches for such amount of cargo. (See Items 3.a(7) and 3.a.(18)).

2. Responsibility of MSTS.

MSTS is responsible for the cost of the following accessorial services:

- a. Crew overtime incident to breakout/rigging of ship's heavy lift gear.
- b. Crew overtime in connection with standby security watch when required by MSTS during loading and discharging.

3. Responsibility of the Shipper Services.

The shipper services are responsible for the cost of the following services:

a. Loading and Discharging Cargo:

- (1) Straight time costs of stevedoring and terminal services including trimming, checking, etc. (See Items 1.b.(18) and 3.a.(2)).

- (2) Overtime differential costs in stevedore and terminal operations when ordered by the shipper service. (See Items 1.b.(18) and 3.a(1)).
- (3) Additional labor required in connection with the operation of ship's heavy lift gear.
- (4) Overtime differential costs incurred for the two-hour overtime period in the normal longshore work day in the Pacific Coast and Alaska areas.
- (5) Spotting and trimming of booms.
- (6) Driving of winches.
- (7) Opening and closing hatches. (See Items 1.b.(23) and 3.a.(18)).
- (8) All costs in connection with removal of pontoons, hatch covers and beams from vessel to place of rest on the dock and return due to occupancy of deck space by previously loaded military cargo. (See Item 1.b.(13)).
- (9) Dunnage over one inch. (See Item 1.b.(7)).
- (10) Dunnaging over military cargo loaded in the same port area. (See Item 1.b.(8)).
- (11) Lashing of military deck cargo loaded in the same port to the satisfaction of vessel(s) Master.
- (12) Lashing, sheathing and special fittings when not required by the terms of the contract to be furnished by the carrier.
- (13) Rerigging of ship's cargo handling gear during operation.

- (14) Heavy lift equipment other than ship's gear (except under conditions cited in Item 1.b.(22)), when ordered by the government for its own convenience.
- (15) Shore gear required to load or discharge; i.e., slings, nets, special bridles, conveyors, clam shells, dozers, scoops, etc.
- (16) Coopering when vessel not responsible for damage.
- (17) Rigging of hatch tents. Blocks to be furnished and installed by the vessel.
- (18) Opening and closing hatches when less than 5,000 cubic feet of space is offered in one hatch and such space is accepted without qualification, when extra cost for opening and closing of hatches or minimum time guarantee is incurred for longshoremen. (See Item 1.b.(23)).
- (19) Vapor-proof lights required to load or discharge special cargo.
- (20) Detention time in stevedore and terminal operations when not resulting from fault of failure of the vessel, its equipment or personnel. (See Item 1.b.(11)).
- (21) Overtime for Customs, Agriculture, or Public Health Officers provided for the convenience of the cargo, when requested by the shipper service.
- (22) Fumigation required solely because of contaminated Government cargo.

b. Miscellaneous Dues, Fees and Charges:

- (1) Drayage, storage and warehousing.
- (2) Handling charges including terminal tariff handling charges according to the custom of the port.

- (3) Agency fees in connection with port clearance of cargo.
- (4) Cargo surveyor fees when services are ordered by the shipper service.
- (5) Cargo surveyor fees resulting from dispute between shipper service and vessel operator - resolved in favor of operator.
- (6) Customs and other fees, dues and/or taxes chargeable to cargo.
- (7) Harbor and quay dues chargeable to cargo based on local tariffs.
- (8) Landing charges against cargo in accordance with the regulations of the port, including those billed by port authorities to the ship.
- (9) Top wharfage assessable on cargo.
- (10) Damages to the vessel caused by fault or failure of the Government or its agents.
- (11) Transportation and travel time of stevedore personnel when ordered from the local hiring hall by the shipper service for its account.
- (12) Documentation of cargo.
- (13) Panama Canal Company transfer charges, actual or constructive assessed under the Canal Zone Government Official Tariffs.

Schedule of Payment Responsibility for Costs of Accessorial and Other Miscellaneous Services (Dry/Reefer Cargo)

Time Charter, Voyage Charter and GAA Vessels

When shipments of military cargo are made in the above type vessels, the vessel operator is responsible for initial payment of all ocean transportation costs. Operators of time charter and voyage charter vessels may be entitled to reimbursement from MSTS for some of such costs. In the chart below the letters in parentheses indicate that the activity or organization effecting initial payment is entitled to reimbursement from activities designated within the parentheses. Payment responsibility is indicated as follows:

<u>S - Shipper Service</u>	<u>M - MSTS</u>	<u>O - Vessel Operator</u>	
Mode of Shipment			
	Time Charter	Voyage Charter	"GAA" (See Note 1)
Accessorial and Other Miscellaneous Services			Note 2)

A. Costs Incidental to Vessel Operation
Maintenance and Administration

1. Utilities and other services required by the vessel.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2. Pilotage.	<input type="radio"/> (M)	<input type="radio"/>	<input type="radio"/>
3. Tug hire.	<input type="radio"/> (M)	<input type="radio"/>	<input type="radio"/>
4. Line handling.	<input type="radio"/> (M)	<input type="radio"/>	<input type="radio"/>
5. Agency fees for vessel.	<input type="radio"/> (M)	<input type="radio"/>	<input type="radio"/>
6. Canal transit tolls.	<input type="radio"/> (M)	<input type="radio"/>	<input type="radio"/>

S - Shipper Service

M - MSTs

O - Vessel Operator

Mode of Shipment			
	Time	Voyage	"GAA"
Accessorial and Other Miscellaneous Services	Charter	Charter	(See Note 2) (See Note 1)

A. Continued.

7. Dues, fees, including light-house fees, and/or taxes assessed against the vessel. O(M) O O
8. Charges for overtime of Customs, Immigration Inspectors and Public Health Officers except when ordered for the cargo. O(M) O(M) O
9. Dockage, berthing, or shedding at commercial facilities. O(M) O O
10. Harbor and quay dues chargeable to ship based on local tariffs. O(M) O O
11. Overtime for maintenance of winches, ships booms and cargo running gear in operable condition. O(M) O O
12. Crew overtime incident to initial breakout/rigging of heavy-lift ship's gear. O(M) O O

S - Shipper Service

M - MSTS

O - Vessel Operator

Accessory and Other Miscellaneous Services	Mode of Shipment		
	Time Charter	Voyage Charter	"GAA" (See Note 2)
	(See Note 1)		

A. Continued.

13. Crew overtime for breeding out incurred for the convenience of the shipper service. O(M) O O
14. Providing and rigging spark arrestors and ventilator screening when required. O(M) O O
15. Fireboats, tugs, and pilots when required on a standby basis during ammunition, explosives, or other hazardous cargo handling operations. O(M) O(M) O
16. Crew overtime costs for shifting alongside or between piers. O(M) O(M) O
17. Ballast, including handling costs. O O O

S - Shipper Service

M - MSTS

O - Vessel Operator

Mode of Shipment			
	Time Charter	Voyage Charter	"GAA" (See Note 2)
Accessorial and Other Miscellaneous Services			(See Note 1)

A. Continued.

18. Ship's crew overtime and penalties (except for members of the crew performing stevedoring) when the vessel is working cargo during overtime hours and overtime and penalty wages would not have otherwise been payable. O(M) O O

19. Crew overtime in connection with security watch when required by MSTS during loading and discharge. O(M) O(M) O

20. Detention time in stevedore and terminal operations resulting from fault or failure of the vessel, its equipment or personnel. S(M)(O) S(M)(O) S(M)

21. Fumigation required for reasons other than contaminated Government cargo. O O O

S - Shipper Service

M - MSTS

O - Vessel Operator

Accessorial and Other Miscellaneous Services	Mode of Shipment		
	Time Charter	Voyage Charter	"GAA" (See Note 2)
	(See Note 1)		

A. Continued.

22. Tallying mail and/or security cargo by ship's personnel during loading and discharge.

23. Securing for sea.

B. Costs Incidental to Cargo Handling and Terminal Operation

1. The shipper services are responsible for arranging for and the cost of all services except those noted above which are required incident to the loading or discharging of military sponsored cargo in chartered and GAA vessels. Cargo surveyor fees will be for the account of the party ordering the service.

2. Costs of heavy lift equipment other than ship's gear will be for the account of the shipper services except that where the terms of the applicable charter requires the vessel operator to have ship's heavy lift gear available and the operator does not make vessel's heavy lift gear available the costs of auxiliary equipment will be for the account of the vessel operator.

NOTE 1: Subject to conditions of individual contracts. The showing of cost responsibility is on the basis that the voyage charter does not include stevedoring.

NOTE 2: MSTS reimburses the Maritime Administration for all expenses incurred in the operation of GAA vessels.

Schedule of Payment Responsibility for Costs of Accessorial and
Other Miscellaneous Services (Dry/Reefer Cargo)

USS and USNS Vessels

A. Background.

When shipments of military cargo are made on USS ships assigned to MSTS or USNS ships, MSTS is the vessel operator and is responsible for the performance of all normal vessel operator functions. Payment responsibility is indicated below.

B. MSTS Responsibility.

MSTS is responsible for payment for the following services:

1. Utilities and other services required by the vessel, except when made available without charge by military terminals.
2. Pilotage, except when made available without charge by military terminals.
3. Tug hire, except when made available without charge by military terminals.
4. Line handling, except when made available without charge by military terminals.
5. Preparing vessel for cargo operations.
6. Agency fees for ship, when authorized.
7. Canal transit tolls.
8. Tallying of mail and/or security cargo by ships personnel during loading and discharge.

9. Charge for overtime of Customs, Immigration Inspectors and Public Health Officers incurred incident to embarking/debarking passengers and crew.
10. Dockage, berthage, or sheddage at commercial facilities.
11. Harbor and quay dues chargeable to ship based on local tariffs.
12. Maintenance of winches, ship's booms, and cargo running gear in operable condition.
13. Crew overtime incident to initial breakout/rigging of heavy-lift ship's gear.
14. Crew costs in connection with breasting out incurred for the convenience of the shipper service.
15. Providing and rigging spark arrestors and ventilator screening when required.
16. Fire boats, tugs, and pilots when required on a standby basis during ammunition, explosives, or other hazardous cargo handling operations, except when made available without charge by military terminals.
17. Crew costs in connection with shifting alongside or between piers.
18. Ballast, including handling costs.
19. All ship's crew overtime and penalty wages except for members of the crew actually performing stevedoring which is reimbursable by the shipper service.
20. Crew overtime in connection with security watch.

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21. Fumigation required for reasons other than contaminated Government cargo.

22. Securing for sea.

C. Responsibility of the Shipper Services.

The shipper services are responsible for arranging for and the cost of all services except those noted above which are required incident to the loading or discharging of military sponsored cargo in USS and USNS vessels.