Voluntary Intermodal Sealift Agreement (VISA) Terms and Conditions

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SECTION 1 CONTRACT SCOPE

1.1 Overview

This contingency contract implements the Voluntary Intermodal Sealift Agreement (VISA) as defined in the Federal Register dated 29 October 2014 and provides for contingency sealift services that may arise in any part of the world. The general scope of services under this contract includes the provision of ocean transportation charter for worldwide port-to-port ocean movements and related intermodal movements, infrastructure, services, and management expertise. This contract also is to provide such services on a bilateral basis prior to a contingency for the purpose of testing and exercising VISA.

1.2 Basic Services

1.2.1 The contractor shall provide basic services, as outlined in the following sections, including guaranteed capacity up to stage commitment levels and corresponding intermodal services and infrastructure supporting capacity commitments to DOD contingency operations. Such services and infrastructure include but are not limited to active tracking, port clearance, delivery of containers and shipments to and from CONUS and international locations, and reporting and command center interface. The contractor shall maintain the highest possible on-time performance rate.

1.2.2 VISA liner services terms for space are incorporated into the Universal Service Contract (USC-10 on-ward). During an activation of VISA, the USC contract shall be used to move liner DOD contingency cargo requirements using standard USC One-Time-Only (OTO) booking procedures. If pick-up/drop-off, intermodal equipment, and/or any inland transport is necessary under VISA, for contingency operations, these terms will be negotiated during activation, at the task order level and/or included as USC VISA OTO requirements, as needed.

SECTION 2 VISA CAPACITY ENROLLMENT TERMS

2.1 Background

2.1.1 Contractors are offered an opportunity to enroll specific vessel capacity and related resources (intermodal systems and equipment, terminal facilities, intermodal and management services, etc.) into the VISA program at any time throughout the year, as described in the Federal Register dated 31 January 2018. As in prior Department of Defense (DOD) sealift readiness programs, contractors receiving certain subsidies from the Government must enroll specified capacity and related resources into Stage III of VISA. (For example, in accord with section VI.B.3.a of VISA, as described within the Federal Register dated 29 October 2014, this contract obligates a contractor receiving payments under the Maritime Security Program (MSP) (46 U.S.C. § 53101-11) to make vessels covered by an MSP Operating Agreement available during Stage III of VISA to DOD in accord with the MSP statutes and regulations. According to the Maritime Administrator, such obligation shall satisfy MSP requirements for contractor enrollment in an Emergency Preparedness Program.) Contractors receiving payments under an MSP Operating Agreement may make a contract commitment only to Stage III of VISA or they may make a contract commitment to Stages I, II and III of VISA. Similarly, other qualified contractors may make a contract commitment only to Stage III of VISA or may make a contract commitment to Stages I, II and III of VISA. Enrollment in Stage I, II and/or III of VISA involves two sequential steps: execution of the application Form MA-1020 (OMB Approval No. 2133-0532) with the Maritime Administration (MARAD) and execution of this contingency contract with USTRANSCOM.

2.1.2 Upon execution of this contingency contract, a contractor becomes a VISA “Participant” and receives a priority, as described in section III.A.3 of VISA, as a VISA “Participant” for award of DOD peacetime cargo for the term of the contract. However, the priority of a “Participant” described in section III.A.3 of VISA has two tiers, a top tier and a bottom tier. Within the “Participant” priority, contractors in the top tier rank higher than contractors in the bottom tier for award of DOD peacetime cargo. As noted at section VI.B.3.b of VISA, contractors properly committing capacity to Stages I, II and III of VISA receive top tier priority as a “Participant”. In addition, certain offerors with a portion of their vessel capacity exclusively engaged in the domestic trades (coastwise-qualified capacity) or offerors for long-term charter to DOD receive top tier priority as a “Participant”, in accord with sections VI.B.3.b and VI.B.4 of VISA, by properly committing some or all capacity to Stage III only. Specifically, an offeror that commits its coastwise-qualified capacity to Stage III only and its other capacity to Stages I, II and III receives the top tier priority, while an offeror for long-term charter to DOD receives the priority top tier if all of its vessel capacity is committed only to Stage III. Other contractors that properly commit capacity only to Stage Ill receive a

priority as a "Participant", in accord with section VI.B.3.a of VISA, but their priority is a bottom tier priority of lower rank for award of DOD peacetime cargo than the top tier priority. VISA contingency contracts' minimum and maximum amounts are not based on dollars but rather staged vessel capacity commitments. As stated in the Federal Register, peacetime priority, for peacetime contracts' bookings, is authorized for VISA participants as defined by the VISA program directives in lieu of minimum guarantees. In consideration for peacetime priority, no low dollar minimally funded task order will be executed to bind the parties to this VISA contingency contract and the vesssel capacity commitments within.

2.1.3 The minimum Stage I/II commitment will be specified for each cycle of USTRANSCOM peacetime contracts. To the extent such peacetime contracts use commitments above the minimum as an evaluation factor in the award or allocation of peacetime business, a contractor's annual commitment to Stages I/II could influence the amount of DOD business it receives through contracts awarded from the effective date of this contract through the end of the corresponding contract period.

2.1.4 Activation of any Stage of VISA shall be in accord with the provisions of VISA, particularly section V of VISA. The decision to activate or deactivate any Stage of VISA will be made by USTRANSCOM Commander. DOD's primary goal in activating or deactivating VISA is to meet operational requirements, while facilitating the use of existing, commercial, intermodal/sealift resources and minimizing disruption to commercial operations whenever possible.

2.1.5 USTRANSCOM will request the Contractor to perform all or part of the Contractor's commitment in this contract to any activated Stage of VISA through this contingency contract.

2.1.6 In furtherance of the Government's minimum requirements for a sealift readiness program and in consideration of the Contractor's commitment of specific capacity and related resources (as detailed herein), the Contractor's receipt of Government subsidy (if applicable), and the Contractor's priority consideration for award of certain DOD contracts, the Government and the Contractor agree as follows:

2.2 Capacity Commitment

2.2.1 VISA defines a commitment of vessel capacity in terms of a percentage of a contractor's U.S. Flag vessel capacity. The terms "vessel" or "ship" whenever used in this contract shall include U.S. Flag containerships, RO/RO ships, break-bulk/bulk ships, combination ships, barges and other dry cargo ships (tug/barge combinations) unless otherwise indicated. With respect to various ship types, the Contractor's capacity commitment as set forth in Attachment 1 of this contract was described in terms of "militarily planning capacity", which was computed in the following manner:

2.2.1.1 Container ships: total TEU capacity (at any one time). Militarily planning capacity for containerships is determined by using vessel stowbooks or capacity plans with average military TEU weights of:

14 Measurement Tons (MT)/Sustainment 20ft
19 MT Sustainment 40ft
At least 1500 TEU militarily useful capacity

2.2.1.2 RO/RO ships: total square feet capacity (at any one time). Militarily planning capacity for RO/Ros is determined using the following criteria for deck strength and ceiling height:

Heavy Deck: 450 pounds per square feet (PSF) or above, 11 ft ceiling height or above
Medium Deck: 250 to 449 PSF, 9.5 ft ceiling height or above
Light Deck: 150 to 249 PSF, 7.5 ft ceiling height or above
Decks less than 150 PSF and 7.5 ft height are not considered militarily useful

2.2.1.3 Break-bulk/Bulk: deadweight (at any one time). Capacity is measured in MT.

2.2.1.4 Combination ships: calculated on applicable combination of above elements.

2.2.1.5 Barges: total square feet capacity (at any one time).

2.2.1.6 Other ships: - Integrated and articulated tug and barge combinations – Tug and towed or pushed barge combinations – total square feet capacity (at any one time).

2.2.2 Attachment 1 lists the Contractor's U.S. Flag vessel capacity in which the Contractor hereby commits to Stage III of VISA. In the event of any conflict between the procedures in this contract for computing and calculating a capacity commitment and the final Stage III commitment in Attachment 1, the Attachment 1 commitment shall control. Committed capacity is expected to be maintained for USTRANSCOM contingency planning purposes. However, if any change in the Contractor's U.S. Flag fleet is necessary during the period of this contract, a minimum 30-day notice shall be provided to USTRANSCOM identifying the change and a revised Attachment 1 indicating the new commitment will be issued via modification.

2.2.2.1 In calculating this Stage III commitment, the Government and the Contractor used the following business rules:

2.2.2.1.1 The Stage III commitment is 50% of a participant's entire U.S. Flag vessel capacity or 100% of the capacity of subsidized vessels, whichever is greater.

2.2.2.1.2 100% of the capacity of a subsidized U.S. Flag vessel must be committed. For example, 100% of the capacity of U.S. Flag vessels receiving Maritime Security Program (MSP) subsidy must be committed to Stage III.

2.2.2.1.3 A contractor with no subsidized vessels must commit 50% of its U.S. Flag vessel capacity to Stage III.

2.2.2.1.4 If a contractor has both subsidized and unsubsidized vessels, 100% of the capacity of the subsidized vessels must be committed. If that capacity is not 50% of its U.S. Flag vessel capacity, the contractor must commit unsubsidized capacity to reach that 50% level. If the subsidized capacity exceeds 50% of a contractor's U.S. Flag vessel capacity, no commitment of unsubsidized vessels is necessary.

2.2.2.1.5 The capacity of a vessel under charter to DOD was not counted toward the contingency commitment during the period of the charter.

2.2.3 Attachment 1 lists the Contractor's U.S. Flag vessel capacity in which the Contractor hereby commits to Stage I/II of VISA. In the event of any conflict between the procedures in this contract for computing and calculating a capacity commitment and the final Stage I/II commitment in Attachment 1, the Attachment 1 commitment shall control. Committed capacity is expected to be maintained for USTRANSCOM contingency planning purposes. However, if any change in the Contractor's U.S. Flag fleet is necessary during the period of this contract, a minimum 30-day notice shall be provided to USTRANSCOM identifying the change and a revised Attachment 1 indicating the new commitment will be issued via modification. In calculating any Stage I/II commitment, the Government and the Contractor used the following percentages:

Stage	Min Percentage	Percentage Above Min	Total Percentage
I	15%	None	15%
II	40%	None	40%

2.2.4 In addition, where applicable, the Government and the Contractor excluded vessel capacity exclusively engaged in domestic trades (coastwise-qualified capacity) from U.S. Flag vessel capacity only for the purpose of calculating the minimum commitment required for Stage I/II. The lack of commitment to Stages I/II of vessel capacity exclusively engaged in domestic trades (coastwise-qualified capacity) will not prevent a contractor otherwise properly committed to Stages I/II from receiving a top tier priority as a VISA Participant for award of USTRANSCOM peacetime cargo from the effective date of this contract through fiscal year end.

2.2.5 The Stage I and Stage II minimum commitments for offerors seeking the top tier priority on charter

contracts, exclusive of long-term (one year or longer) charter contracts, will be calculated using the minimum percentages listed in the table above.

2.3 Intermodal Equipment

The Contractor hereby commits to provide intermodal equipment (chassis, containers, etc.), terminal facilities, intermodal and management services, intermodal systems, and other related resources used in performance of its peacetime business (commercial and military) that the Contractor will need to utilize or to support the percentage of U.S. Flag vessel capacity committed by the Contractor to any Stage of VISA in proper performance of the terms and conditions of USTRANSCOM contingency contracts. While this contract does not require the Contractor to maintain particular quantities or types of such related resources used in performance of its peacetime, commercial business, it does require the Contractor to maintain sufficient ownership, operation or control of any such related resources that the Contractor will need to properly perform its commitments in paragraph 2.2, Capacity Commitment in accord with this contingency contract.

2.4 Business Rules to Transition from Peacetime through the Three Stages of VISA

(Nothing in the Business Rules shall be construed as a contractual obligation unless specified in the contract.)

2.4.1 Peacetime Contracts

2.4.1.1 Peacetime contracts will remain in effect during the stated contract period. These contracts will be used to move DOD cargo into a contingency theater during the volunteer stage and other delivery points outside the contingency theater during activation as defined in peacetime contracts.

2.4.1.2 During an activation of VISA, this USTRANSCOM VISA Contingency Contract shall be used to move only contingency cargo. Delivery orders/task orders shall contain a designation indicating that cargo is moving under VISA.

2.4.1.3 Before activation, DOD may use the rates, terms and conditions of peacetime contracts to support contingency operations.

2.4.2 Volunteer Stage Capacity

2.4.2.1 The DOD will use peacetime contracts to move contingency cargoes when they meet the capacity and delivery requirements. DOD may issue a request for volunteers to provide additional service when peacetime commitments cannot satisfy contingency capacity and delivery requirements.

2.4.2.2 Requests for volunteers may be issued to all potential offerors including non-participants and foreign flag operators. DOD selection of volunteers shall be based on operational requirements and the Secretary of Defense approved priorities for the award of sealift contracts, which are incorporated in VISA.

2.4.2.3 DOD may use the volunteer stage to obtain additional services to meet contingency operation requirements. The volunteer stage shall not be used by contracting personnel to renegotiate existing peacetime or USTRANSCOM VISA contingency contract rates. VISA participants with existing peacetime contracts that can satisfy DOD's requirements shall receive priority over contractors without such contracts. New offers of service will be treated as late rates that receive last priority for use provided participant services meet DOD's contingency requirements.

2.4.2.4 Where appropriate, DOD shall approve requests by VISA Participants to convert voluntary commitments to the USTRANSCOM VISA contingency contract rates, terms and conditions.

2.4.3 VISA Activation

2.4.3.1 VISA Stages may be activated by USTRANSCOM Commander, with the approval of SecDef, as required to support contingency operations.

2.4.3.2 DOD may activate all or part of VISA Program Participants, and all or part of each VISA Participant's commitment to each stage. DOD will exercise best efforts to proportionately activate participants' capacity to minimize commercial disruption.

2.4.3.3 Upon activation of any Stage, the voluntary commitments of Program Participants preceding such activation shall convert to the relevant Stage of commitment subject to the USTRANSCOM VISA contingency contract terms and conditions and pricing.

2.4.3.4 Compensation for commitments under VISA Stages I, II and III is cumulative. VISA Participants shall be compensated at the applicable USTRANSCOM VISA contingency contract rate during the duration of the activation. For example, using the VISA commitment requirement of 15%, 40% and 50%, the Stage I rate would apply to the first 15% of activated capacity (1 to 15), the Stage II rate would apply to the next 25% of capacity (16-40), and the Stage III rate would apply to the remaining 10% of capacity (41 to 50), and beyond (51 to 100) for MSP participants.

2.4.3.5 The Government agrees to include in the Business Rules specific booking and billing procedures for activated capacity prior to an activation. The Government will examine the contractor's Last In, First Out proposal.

2.4.3.6 DOD shall activate Stage III only after activating Stages I and II. However, the DOD is not restrained by time (hours, days, weeks, months, etc.) to advance from Stage I to Stage III of activation pending contingency requirements/charter shortfalls.

2.4.3.7 The decision to deactivate VISA stages and release Participants from activation commitments will be made by USTRANSCOM Commander based on the operational requirement. Deactivation considerations may also include costs to DOD and minimizing the contractor's commercial disruption by returning commercial assets for use in peacetime business.

2.4.3.8 DOD may request VISA Participants voluntarily increase their commitments during Stage Activation and before proceeding to the next Stage of Activation. Also, DOD may request volunteer capacity from non-participants before proceeding to the next Stage of Activation.

2.4.4 Commitment Levels

The USTRANSCOM Commander may re-establish the minimum and maximum commitment levels for each VISA Stage annually. Such minimums and the contractor's commitment thereto shall be reflected in the contractor's VISA Capacity Commitment (Attachment 1) that is incorporated by reference herein.

2.4.5 Activation Procedures

When the Vessel Activation Notice is issued, if the Vessel is at sea, Vessel shall proceed to its next scheduled port-of-call, unless otherwise ordered by the Government. Upon arrival at the next scheduled, or otherwise ordered, port-of-call, Vessel shall offload all commercial cargo onboard. If the Vessel Activation Notice is issued when the Vessel is in port, all commercial cargo onboard shall be offloaded, and the Vessel shall proceed as directed. To the extent that cargo is diverted from its intended transportation by activation of the Vessel, all reasonable costs and damages incurred by Owner as a result of such diversion shall be for the Government's account.

SECTION 3 DRY CARGO (TIME)

3.1 Charter Hire

3.1.1 Hire Rates. Charter hire for services under this Charter Party shall be payable at the applicable rates stipulated in the VISA Carrier Vessel Information Sheet, Boxes 40-42, and shall be earned at the expiration of each fifteen (15) days of the charter period. Except as otherwise provided herein, said hire rates shall be considered payment in full for all services of the Vessel and Associated Equipment under this Charter including all overtime (including but not limited to crew overtime/penalty time required for the opening and closing of hatches), penalty time, bonuses, payments, and emoluments payable to Master, Officers, and crew for services under this Charter, irrespective of the geographic scope of said service and including the carriage of ammunition and hazardous cargoes. Said hire rates are exclusive of the costs of fuel and port charges, which are addressed at paragraph 4.15 (Fuel) and paragraph 4.13 (Port Charges and Expenses) below, respectively, and other stevedoring costs such as loading, securing and discharging cargo, which are addressed in paragraph 3.6 (Loading and Discharging) below.

3.1.2 Loss of Vessel. Should the Vessel be either lost or missing and presumed lost, Charterer may, at its sole discretion, terminate this Charter, in which case hire shall cease to be payable at the time of the loss or, if said time is unknown, at the time of the Vessel's last received communication. Similarly, should the Vessel become a constructive total loss, Charterer may, at its sole discretion, terminate this Charter, in which case hire shall cease to be payable at the time of the casualty resulting in the constructive loss. The Vessel shall be considered missing and presumed lost when, after a reasonable lapse of time, it fails to reach its next scheduled port and reasonable efforts to contact it fail.

3.2 Mission

The Vessel may be employed in worldwide trade for the following: transportation and/or prepositioning of cargo (including but not limited to hazardous cargoes, explosives, ammunition, vehicular, containerized, and general cargoes) and military readiness, in accordance with the terms of this Charter.

3.3 Reporting Requirements

3.3.1 Charterer's Instructions. The Charterer shall furnish the Master with all requisite instructions and sailing directions in writing, including the COMSC "Standard Operating Manual" (SOM) COMSCINST 3121.9 Series. The Master shall exercise due diligence to observe all such orders and instructions of the Charterer with respect to the Charterer's employment of the Vessel's services. Vessel must meet all USTRANSCOM requirements for reporting. Reports required of the Vessel include, without limitation, the following:

(i) Movement reports (see SOM, section 2-4-1);
(ii) Pre-arrival reports (see SOM, section 2-7-3);
(iii) Casualty reports (see SOM, section 4-3);
(iv) Dry-cargo reports (see SOM, section 3-7);
(v) Defense Readiness Reporting System-Navy (see SOM, Section 4-1); and
(vi) Position Reports (see SOM, section 2-4-2). Vessel shall provide position/status reports in-port and at-sea every six (6) hours daily at 0000, 0600, 1200, and 1800 hours local Washington, DC time (GMT-5 EST/GMT-4 EDT). Position reports shall be issued by electronic mail to the addresses designated in the cargo orders as issued by the appropriate Program Office or Area Command.

USTRANSCOM may require additions or deletions to the addressees on the Position Reports and may also require additional reporting requirements.

These reports must include the Vessel's Speed of Advance and the ETA to the next port.

3.4 Crew

3.4.1 Conduct of Master, Officers, and Crew. The Master, Officers, and crew shall be appointed or hired by the Owner and shall be deemed to be the servants and agents of the Owner at all times except as otherwise specified in this Charter. The Master of the Vessel shall be under the Charterer's direction with regard to the employment of the Vessel, but shall not be under the Charterer's orders with regard to the navigation, care, and custody of the Vessel. If the Charterer shall have reason to be dissatisfied with the conduct of the Master, Officers, or crew, the Owner shall, upon receiving the particulars of the complaint, investigate the matter and resolve the issue to the satisfaction of the Charterer and Owner. Any and all additional costs including but not limited to attorney's fees incurred as a result of removal of such personnel shall be paid with mutually agreeable terms between the Charterer and Owner.

3.4.2 Qualifications. The Master, Officers, and crew shall be U.S. citizens to the extent required by U.S. law, 46 CFR 15.720 and U.S. Coast Guard regulations.

3.4.3 Identification Cards. In the event Government identification cards are issued to Master, Officers and crew, the Contractor shall be responsible for tracking and, upon redelivery of the Vessel, returning all cards.

3.4.4 OCONUS Contractor Conduct. Upon award of this Contract, the Contractor shall immediately notify all

contractor personnel, who are or who will be employed by, or who are or who will be accompanying, United States Naval Forces outside the continental United States (OCONUS), and who are not a host country national ordinarily resident in the host country, that such personnel, and any dependents residing with such personnel, who engage in conduct OCONUS that would constitute an offense punishable by imprisonment for more than one year if the conduct had been engaged in within the special maritime and territorial jurisdiction of the United States, may potentially be subject to the criminal jurisdiction of the United States as required by the Military Extraterritorial Jurisdiction Act of 2000, Pub. L. 106-523, 114 Stat. 2488, codified at 18 U.S.C. 3261 – 3267, as implemented by DoD Instruction 5525.11, "Criminal Jurisdiction over Civilians Employed by or accompanying the Armed Forces outside the United States." Reference is made to Secretary of Defense memo dated 10 March 2008; "UCMJ Jurisdiction Over DoD Civilian Employees, DoD Contractor Personnel, and Other Persons Serving With or Accompanying the Armed Forces Overseas During Declared War and in Contingency Operations."

3.5 Cargo Receipt

3.5.1 Manifest/Bill of Lading. The Charterer or consignor of the cargo shall prepare a manifest and/or bill of lading, which shall list the cargo loaded on the Vessel. The Master shall sign said cargo receipt(s) in acknowledgment of the receipt of cargo said to have been loaded by the Charterer or the consignor of the cargo, without responsibility as to quantities, mixture, mark, number of packages, weights, etc., or the apparent condition of the cargo, it being understood that it is the Charterer's or the consignor's responsibility to tally the cargo and to check the condition thereof upon loading and discharging. The Contractor shall provide a copy of the signed manifest(s) upon request by the Government.

3.5.2 Charter Paramount. Any receipt signed by or on behalf of the Master or Agent shall be without prejudice to the terms, conditions, and exceptions of this Charter and subject to all of them. The terms of this Charter Party shall apply to any shipment made by the Government whether or not bills of lading are issued.

3.6 Loading and Discharging

3.6.1 General. The whole reach and burthen of the Vessel shall be at the disposal of the Charterer, reserving only proper and sufficient space for Vessel's Master, Officers, and crew, tackle, apparel, furniture, provisions, stores, and fuel. The Charterer shall have the use of all cargo handling equipment onboard and the Owner shall provide sufficient power to operate all the Vessel's cargo handling equipment simultaneously. The Vessel shall work night and day, if required by the Charterer. The Charterer shall have the use of any special gear or fittings actually aboard the Vessel, although said gear or fittings are not required by this Charter. Any material required for securing cargo is to be furnished by the Charterer and for its account, but the Charterer may have the free use of any lashings aboard the Vessel. The Charterer will be responsible for the replacement of lashing gear damaged by the Charterer or its servants. Such replacement shall be as original or equivalent.

3.6.2 Cargo Quantity Limitation. In no case shall the cargo exceed what the Vessel can reasonably stow and carry, in the judgment of the Master, over and above the space and burthen necessary for Vessel's Officers and crew, her cabin, tackle, apparel, furniture, provisions, fresh water, stores, necessary ballast and fuel. The amount of the deck cargo shall be at the discretion of the Master and the loading, carriage and discharge thereof shall be at the risk of the Charterer.

3.6.3 Detention or Standby. If by reason of the Owner's failure to use diligence to keep the Vessel in a thoroughly efficient state of hull, machinery, equipment, personnel, and other particulars relating to the seaworthiness of the Vessel, the Charterer incurs cost of stevedoring detention or standby time in connection with the loading or discharging of cargo, such costs shall be for the account of the Owner.

3.6.4 Lighterage. Lighterage, if any, will be at the risk and expense of the Charterer, except as otherwise provided herein.

3.6.5 Stevedore Damage. The Charterer is to be responsible for any physical damage done to the Vessel by Government stevedores on loading and/or discharging only if such damage is occasioned by negligence, breach of warranty or breach of contract and the Master advises the Charterer, or the Charterer's representatives, in writing, within twenty-four hours after occurrence of the specific damage and the Master further notifies the parties who

have caused this damage, in writing, and endeavors to obtain their admission of liability. As soon as practicable after such damage is sustained, the Owner is to have an independent survey made to define and estimate the damage; a written copy of the survey report is to be promptly forwarded to the Charterer. All claims are to be settled directly between the Owner and the stevedores, with the Charterer being ultimately responsible.

3.6.6 Charterer's Responsibility. The Charterer shall load, stow, trim, secure, and discharge the cargo, all in compliance with applicable laws and regulations and the permit/waiver requirements there under; notwithstanding, however, that the Master shall supervise and be responsible for such actions as they concern the seaworthiness and stability of the Vessel. Upon request of the Charterer, the Owner shall arrange for stevedoring services at ports visited under this Charter, with reimbursement for all necessary and reasonable agency fees, all reasonable costs of loading and/or discharging, and port charges in accordance with paragraph 4.13 (Port Charges and Expenses) below, 52.212-4 (i)(Payment) above, and paragraph 4.22 (Reimbursable Supplies and Services) below.

3.6.7 Expenses. The Charterer shall pay all expenses directly connected with the loading and discharging of the cargo including stevedoring, wharfage, clerking and tallying, winchmen, heavy lifts, dumping, stowing, securing, lashing, sheathing, dunnaging, and trimming, and removal of strongbacks with shore equipment where the use of shore equipment is not necessitated by a structural or mechanical defect in the Vessel unless that defect is caused by the fault or negligence of the Charterer. Unless otherwise provided herein, the Charterer shall provide necessary dunnage and shifting boards, also any extra fittings or materials requisite for a special trade or unusual cargoes, but the Owner shall allow the Charterer the use of any dunnage, shifting boards and other fittings or materials already onboard the Vessel. The Charterer shall have the privilege of using shifting boards for dunnage, but if the Vessel's shifting boards are used as dunnage, the Charterer shall make good any damage to or shortage of such shifting boards on redelivery of the Vessel. If the Charterer elects or is required by the Owner to remove dunnage and fittings placed onboard by the Charterer, the cost of removal and discharge shall be borne by the Charterer. The Charterer shall have free use of any lashing gear, dunnaging, shifting boards, and fittings aboard the Vessel.

3.7 Oil Pollution Spill

3.7.1 Pollution Damage. Where an escape or discharge of oil occurs from the Vessel and threatens to cause pollution damage to coastlines, Charterer may, at its option, and upon notice to Owner or Master, undertake such measures as are reasonably necessary to prevent or mitigate such damage, unless Owner promptly undertakes same. Charterer shall keep Owner advised of the nature of the measures intended to be taken. Any of the aforementioned measures actually taken by Charterer shall be at Owner’s expense except to the extent that any such escape or discharge or threat was caused or contributed to by Charterer. If Owner considers such measures should be discontinued, Owner shall so notify the Charterer and thereafter neither the Charterer nor its nominee shall have any right to continue said measures under the provisions of this paragraph and all further liability to Charterer under this paragraph shall thereupon cease, except that Charterer may continue such measures at Owner’s expense if Owner does not undertake reasonable measures to prevent or mitigate damages.

3.7.2 Reservation. The above provisions are not in derogation of such other rights as Charterer or Owner may have under the provisions of this Charter including but not limited to 4.6 (Insurance) hereof, or may otherwise have or acquire by law or any international convention.

3.8 Safety in Loading and Discharging Cargo

Attention of the Owner is directed to the Occupational Safety and Health Act of 1970, 29 U.S.C. 651 et seq., as amended, and to the standards promulgated there under by the Secretary of Labor.

3.9 Deck Cargo

Should deck cargo be carried, it shall be carried at the Charterer's risk, excepting cargo shipped in containers.

3.10 Cleaning

3.10.1 Delivery. Upon delivery in accordance with paragraph 4.1 (Delivery) below, all holds, containers, and spaces designated for cargo carriage shall be cleaned and ready to receive lawful cargo.

3.10.2 Redelivery. Upon redelivery of the Vessel in accordance with paragraph 4.2 (Redelivery) below, the holds and spaces of the Vessel (and those deep tanks the last use of which was made by the Charterer) shall be swept clean by the Charterer with refuse removed, unless during the period of this Charter the Vessel has carried in these spaces cargo with respect to which custom requires more complete cleaning, in which case the Charterer shall give such spaces the required cleaning.

SECTION 4 TIME CHARTER

4.1 Delivery

4.1.1 Laydays. The Vessel and all Associated Equipment shall be delivered to the Charterer at a port or place in accordance with the task order instructions upon activation, the Owner giving written notice of readiness during office hours to the appropriate Government representative at the port or place of delivery on a working day (Saturdays, Sundays, or other recognized weekly days of rest, U.S. Government holidays, and holidays observed at the delivery port, whether national or local, shall not be considered working days). Government inspection of the Vessel shall be completed within a reasonable amount of time thereafter, not exceeding twenty-four (24) hours after proper tender of the notice of readiness (Saturdays, Sundays, or other recognized weekly days of rest, U.S. Government holidays, and holidays observed at the delivery port, whether national or local, excepted in the computation of said twenty-four hour period). Hire shall commence upon acceptance of the Vessel by the Charterer but not before the commencing date stated in the task order upon activation, unless approved in writing in advance by the Contracting Officer. The Charterer shall have the liberty to cancel this Charter at no cost to the Government should the Vessel or Associated Equipment not be ready in accordance with the provisions hereof by the canceling date stated in the task order upon activation, said cancellation to be declared not later than twenty-four (24) hours after 1600 hours local time at place of delivery on the canceling date stated in the task order upon activation, should the Vessel not be ready by that time. This paragraph shall not limit any right of the Government under this Charter Party or any right to take any other action authorized by law.

4.1.2 Condition. The Vessel and all Associated Equipment shall be, insofar as due diligence can make them so, seaworthy, properly and efficiently manned and trained, equipped, supplied, and in every way suitable and adequately fitted for and in all respects ready for the service contemplated under this Charter Party. Any Associated Equipment shall upon delivery be as described in this Charter Party and all cargo-handling equipment shall be rigged, secured, and operable. The Owner shall exercise due diligence to maintain the Vessel and Associated Equipment in such state during the period of this Charter Party.

4.2 Redelivery

Unless lost, the Vessel shall be redelivered at a port or place in accordance with the awarded task order.

4.3 Ports/Places

4.3.1 Safety. The Charterer shall exercise due diligence to order the Vessel to safe berths or places (or alongside vessels or lighters reachable on her arrival and designated/procured by the Charterer) that the Vessel can approach, lie at, and depart from always accessible, always afloat. The Charterer shall not, however, be deemed to warrant the safety of any berth or place and shall not be liable or accountable for any loss, damage, injury, or delay resulting from any unsafe condition at any berth or place unless caused by the Charterer's failure to exercise due diligence as aforesaid. Any lightering will be at the expense of the Charterer; however, in the event the Charterer directs the Owner to arrange for lighterage services, the Owner shall make all necessary arrangements therefore.

4.3.2 Ice. The Vessel shall not be ordered or bound to enter any port or place inaccessible due to ice or at which lights, lightships, markers, or buoys on Vessel's arrival are (or are likely to be) withdrawn by reason of ice. The Vessel shall not be obliged to force ice. If a port or place to which the Vessel is ordered is inaccessible due to ice, the Master shall immediately notify the Charterer requesting revised orders and shall remain outside the ice-bound area. If there is danger of the Vessel being frozen in at any port or place, the Vessel shall, at Master's discretion, proceed to the nearest safe and ice-free position, at the same time requesting the Charterer's revised orders. Any delay or detention resulting from ice to be for the Charterer's account.

4.4 Charter Period

The Charter period, which shall be no less than six months in duration or as otherwise mutually agreed, shall commence upon the Vessel's discharge of commercial cargo, if the Vessel is not diverted. If the Vessel is diverted prior to entry into the next scheduled port-of-call, the Charter period shall commence upon diversion and the Government's liability for charter hire herein shall be reduced by the cost savings, if any, realized by Owner in not completing its scheduled voyage. The Charter period shall continue until terminated in accordance with the provisions herein, but in no event shall it exceed five years. In the event that the Charter period exceeds the period of this contract, the period of this contract shall be extended until the date of redelivery of the Vessel. Any option periods shall be in direct continuation; shall be without guaranty at the Charterer's sole option; and shall be declared as specified in FAR 52.217-8. Optional periods may be declared at any time prior to redelivery of the Vessel.

4.5 Dry dock

4.5.1 General. The Owner, at its expense, shall dry dock, clean and maintain the Vessel's bottom and propeller, and make all overhaul and other necessary repairs properly to maintain the Vessel in class, maintain the Vessel in compliance with FAR 52.212-4(o) (Warranty), and otherwise to keep the Vessel tight, staunch, and strong, and in thoroughly efficient order and condition. For such purpose of dry dock, the Charterer shall allow Vessel to proceed to an appropriate port upon sixty days prior notice to the Contracting Officer. All towage, pilotage, fuel, gas-freeing if required, water, and other expenses incurred while proceeding to and from dry dock shall also be for the Owner's account.

4.5.2 Suspension of Hire. In case of dry docking at a port where Vessel is to load, discharge, or bunker under the Charterer's orders, hire shall be suspended from the time the Vessel receives free pratique on arrival, if in ballast, or upon completion of discharge of cargo, if loaded, until Vessel is again ready for service. In case of dry docking at a port other than where Vessel loads, discharges or bunkers, payment of hire shall cease from the time of deviation until the Vessel is again ready and in a position not less favorable to the Charterer than that at which such deviation occurred.

4.6 Insurance

4.6.1 Requirement. During the period commencing with the first loading and terminating with the final discharge of the Vessel, the Owner shall have in place marine insurance coverage on the Vessel including Hull and Machinery, Protection and Indemnity (P&I), War Risk Hull and Machinery including P&I and, if U.S.-flagged, Second Seamen's War Risk Policy. Owner shall, when requested, furnish a Certificate of Insurance evidencing required coverage. Except as otherwise provided in this Charter Party, the Owner shall be responsible for the cost of such insurance, including deductibles, premia, additional premia, calls, commissions, advancements, assessments, and overspill claims where applicable.

4.6.2 Trading Limits. Trading limits of the vessel shall be worldwide. If Vessel is sent beyond the limits of American Institute Trade Warranties or Institute Warranties (as applicable to Owner's coverage) under this Charter Party, Charterer agrees to reimburse Owner for the actual extra cost of additional premia and/or increased deductible levels, to the extent incurred, properly assessed by the Vessel's marine insurance underwriters and payable by the Owner, which extra cost is occasioned by the Vessel's trading beyond such limits.

4.6.3 Limitation of Charterer's Liability. Except as otherwise specifically provided herein, the Charterer shall not be liable for any loss, damage, expense, cost, or liability whatsoever and howsoever incurred by the Owner or Vessel or which are imposed upon Owner by operation of law. Any amount due Owner under paragraph 4.6 (Insurance) shall be subject to setoff by Charterer to the extent of any recovery under any insurance carried by the Owner.

4.6.4 Notification to Charterer. Owner shall, to the maximum extent practicable, keep the Charterer, through the Contracting Officer, currently informed in writing as to the potential vitiation, suspension, lapse, or termination of any of Vessel's insurance policies as a consequence of this Charter Party.

4.6.5 Charterer Named Assured. The United States of America shall be named as an additional assured with

waiver of subrogation on all applicable insurance policies. All cost of such insurance, including but not limited to deductibles, premia, additional premia, calls, commissions, advancements, assessments, and overspill claims where applicable, shall be for Owner's account. Owner agrees to make claims against insurers for losses or damages covered by insurance regardless of Charterer fault, action or omission, and Owner will pay all costs and deductibles associated with such claims.

4.7 War

4.7.1 Requirement. If Vessel is ordered under this Charter Party to any port, place, zone, or route involved in a state of war, warlike operations or hostilities, civil strife or piracy (whether there be a declaration of war or not) where it might reasonably be expected to be subject to capture, seizure, arrest, or hostile act by a belligerent power (whether de facto or de jure), it shall be unreasonable for the Owner not to prosecute said voyage instructions if insurance against said risks is then available commercially or under a Government program, or if the Government offers the Owner an indemnity under Public Law 85-804 against losses that would be covered by such insurance. In the event of the existence of said risks, the Charterer shall, to the extent provided in this paragraph (h), assume provable additional costs of wages (including all additional bonuses and payments required) and insurance and all taxes associated therewith properly incurred by the Owner as a consequence of service under this Charter Party. No other additional costs shall be reimbursable except as is expressly provided for in this Charter.

4.7.2 Additional Wage Costs. Charterer shall reimburse Owner for provable additional costs (including taxes associated therewith) incurred pursuant to this Charter Party as a consequence of the risks identified in 4.7.1 above for (i) wages of Master, Officers, or crew and (ii) required payments or bonuses to Master, Officers, or crew. However, any of said wages or payments shall not exceed in amount that which would be payable, under applicable laws and regulations, to U.S. Civil Service mariners in the employ of MSC in the same port, place, zone, or route.

4.7.3 Additional Insurance Costs. Charterer shall reimburse Owner for provable additional costs of premia and taxes associated therewith (over and above such costs in effect on the Charter Party date) reasonably incurred pursuant to this Charter Party as a consequence of the risks identified in 4.7.1 above in the Vessel's War Risk Hull & Machinery policy, in the Vessel's War Risk Protection & Indemnity policy, and in any war risk policy on the lives of or for injuries to Officers and crew to the extent provided in section 4.7.5. Provided, however, that no proportion of additional premia allocable to insuring an amount in excess of the coverage in place as of the Charter Party date shall be reimbursable by Charterer in respect of any of the foregoing war risk policies. Provided further that Owner shall apply for and remit to Charterer as savings any rebates by reason of reductions in or rebates of premiums charged for entry into War, Piracy, Terrorism and Related Perils Listed Areas. Provided further that the United States of America shall be named as an additional assured with waiver of subrogation noted under all of the foregoing war risk policies. Alternatively, with respect to any area(s) excluded by war risk trading warranties under Owner's commercial war risk insurance coverage, in Charterer's sole option and at no cost to the Government, Charterer may delete this subparagraph with twenty-four hours notice in which case Time Charter War Risk Coverage shall automatically be effective in such area; or (ii) the Government shall offer an indemnity under Public Law 85-804.

4.7.4 Insurance Nonavailability. If no commercial or Governmental insurance is available for service under this Charter Party covering the risks identified in 4.7.1, Vessel shall not be required to enter or remain at any port, place, zone, or route subject to said risks; Charterer in such case shall have the right to order the Vessel to other port(s) or areas consistent with the task order upon activation.

4.7.5 Owner must immediately notify Charterer of any changes in the Vessel's commercial war risk insurance, including but not limited to, changes to war, piracy, terrorism and related perils listed areas and/or increases in commercial war risk insurance premia. After giving notice, Owners must secure Charterer's permission prior to entry into any commercial war risk Listed Areas before incurring liability for additional premia. Prior notice to Charterer and Charterer's permission are conditions precedent to reimbursement of additional premium costs and associated taxes.

4.8 Readiness

Readiness is a required service of the Vessel. Readiness shall be defined as the ability of a Vessel and Associated Equipment to perform the function for which designed, built, or chartered, including the ability to deploy without delays, whether or not so ordered to perform. If there is a degradation of this readiness, such that actual performance or condition of the Vessel or Associated Equipment shows any failure to satisfy one or more of the Owner's warranties or renders the Vessel in less than a fully efficient state, the hire will be proportionately decreased so as to indemnify the Charterer to the extent of such failure, this Charter Party to remain otherwise unaffected. Failure of the parties to agree upon the extent of the proportional decrease in hire shall be a dispute under the clause entitled "Disputes" incorporated herein by reference in paragraph 4.17 above. Nothing in this clause shall limit the rights of the Charterer to place the Vessel off-hire pursuant to paragraph 4.9 (Off-Hire) below.

4.9 Off-Hire

4.9.1 General. In the event of the loss of time resulting from deficiency and/or default of men including but not limited to misconduct, illness, injury, strikes, labor disruptions, lockouts, deficiency of stores; fire; breakdown of or damages to hull, machinery, or equipment; collision; stranding; grounding; detention by authorities; average accidents to Vessel or cargo unless resulting from inherent vice, quality, or defect of the cargo; repairs; inspections; dry docking for the purpose of examination or painting bottom; or deviation for the purpose of landing any ill or injured person onboard other than any passenger, supercargo, or military personnel who may be carried at the Charterer's request; or by any other cause whatsoever preventing the full working of the Vessel; the payment of hire shall cease for all time lost until the Vessel is again ready and in a fully efficient state to resume her service from a position not less favorable to the Charterer than that at which such loss of time commenced. Should the Vessel deviate or put back during a voyage contrary to the orders or directions of the Charterer for any reason, the hire is to be suspended from the time of her deviating or putting back until she is again ready and in a fully efficient state to resume her service from a position not less favorable to the Charterer than that at which such loss of time commenced. When the period of time lost to the Charterer on any one occasion is less than four (4) consecutive hours (or twelve (12) consecutive hours while in prepositioning service), the hire shall not be reduced for such period.

4.9.2 Costs for Owner. The cost of fuel consumed while the Vessel is off-hire, as well as all port charges, pilotages, and other expenses incurred during such period and consequent upon the putting into any port or place other than that to which the Vessel is bound, shall be borne by the Owner. All fuel used by the Vessel being driven into port or to shallow harbors or to rivers or ports with bars, the delay of the Vessel and/or expenses resulting there from shall be for the Charterer's account. See paragraph 4.15.5 *infra*.

4.9.3 Delays/Excessive Fuel Consumption. If upon any passage the Vessel (i) fails to make the warranted speed in Boxes 73a. and 73b. or if her warranted fuel consumption exceeds that in Boxes 73 or 74, either or both of which are due to defect in or breakdown of any part of her hull, machinery, or equipment; casualty; or inefficiency of Master, Officers, or crew or their failure to proceed with utmost dispatch, and (ii) is delayed more than twelve (12) hours, the hire for the time lost and any cost of extra fuel consumed, if any, shall be borne by the Owner. Any delay by ice shall be for the Charterer's account.

4.10 Supercargo and Government DESIGNATED Representatives

4.10.1 Charterer’s Option. The Charterer shall have the right to assign supercargo (supercargo as used herein is both plural and singular) and other Government designated representatives aboard the Vessel for duty purposes to the extent that accommodations and United States Coast Guard certification (when applicable) allow and in accordance with COMSC Instruction 3121.9 Series. The Charterer shall pay an amount of $100.00 per day, per person, covering all expenses including accommodations and victualling. The Owner shall victual U.S. Government designated representatives, pilots, and Customs Officers when authorized by the Charterer at $10.00 per meal. The Government particularly reserves the right to put a representative onboard the Vessel, with the pilot, at the approach to a discharge port (or otherwise as mutually agreeable) to inspect the Vessel and to monitor the unloading; reimbursement for accommodations and/or victualling is to be as described above.

4.10.2 Military Personnel. In addition to the carriage of personnel noted in 4.10.1 above, the Charterer shall have

the right to assign other military personnel aboard the Vessel. Such personnel are not to require victualling or berthing facilities from the Vessel unless requested by the military commander aboard, in which case the Owner will be reimbursed out-of-pocket expenses not to exceed the amount per person per day set forth in 4.10.1 above. The Owner shall provide sufficient lifesaving equipment for such personnel in accordance with SOLAS and all other applicable regulatory requirements.

4.10.3 Charterer's Liability. The Charterer shall be liable to the Owner for any loss of the Vessel's fittings or appurtenances or any damage to the Vessel, her fittings, or appurtenances caused by the act of supercargo or Government designated representatives in the embarkation, carriage, or debarkation of supercargo or Government designated representatives to the extent such loss or damage is not payable under the Vessel's insurance policies. However, the Charterer shall not be liable for such damage unless written notice specifying such damage and, if obtainable, the name of the party or parties causing such damage shall have been given to the Charterer or its authorized representative within a reasonable time.

4.11 Time Lost

4.11.1 Tacking to the End of Charter Period. Any time during which the Vessel is off hire under this Charter Party may be added to the charter period, at the Charterer's option. If the Charterer exercises its option to extend the charter period pursuant to this sub-clause, the charter period shall be deemed to include such extension and hire shall be payable at the rate(s) which would otherwise have been payable during each period of off hire.

4.11.2 Excessive Time Lost. The Charterer may by written notice cancel this Charter at no cost to the Government whenever, in any given 365-day period, for any reason whatsoever, more than 30 days are lost except for time lost as a result of the causes set forth in paragraph 4.7.1 (War) above. Failure to cancel this Charter after 30 days are lost shall be without prejudice to any other rights of the Charterer, or any later right of the Charterer to cancel this Charter Party.

4.11.3 Relationship to Other Remedies. No remedy conferred by this paragraph upon the Charterer is intended to be exclusive of any other remedy already conferred by this Charter Party now or hereafter existing at law or in equity or by statute.

4.12 Negligence of Pilots

The Government, as the Charterer, shall not be held responsible, liable, or accountable for losses sustained by the Owner or the Vessel through the negligence of pilots or tugboats although engaged by the Charterer. Pilots and tugboats shall be considered servants of the Owner.

4.13 Port Charges and Expenses

4.13.1 Expenses for Charterer. Except as otherwise provided herein, the Charterer shall pay expenses of loading and unloading cargo and all wharfage, dockage, canal tolls, dues, taxes, and similar port charges imposed by public authority including consular charges (except those pertaining to the Master, Officers, and crew) incurred by the Vessel in ports visited pursuant to the Charterer's direction. Agency fees, provided not incurred for the convenience of the Vessel or the Owner, shall also be for the Charterer's account. The Charterer shall pay all pilotage charged to the Vessel; however, in no case shall the Charterer reimburse the Owner for pilotage paid to the Master or other members of the crew. Surveyors or consultants as mutually agreed may be retained under this Charter in order to facilitate fact-finding in respect of actual or potential claim actions or for inspections or surveys generally; the costs therefore shall be as mutually agreed and, if for the Charterer's account, said costs shall be incurred only after prior written approval from the Contracting Officer. Charterer's responsibility for all port charges ends with redelivery of the vessel.

4.13.2 Reimbursement. All of the charges incurred for the Charterer's account as noted in 4.13.1 above shall be paid by the Owner if so, required by the Charterer. The Charterer shall thereafter reimburse the Owner for such charges in accordance with 52.212-4 (i) (Payment), and paragraph 4.22 (Reimbursable Supplies and Services) below.

4.14 Owner's Obligation

4.14.1 Provisions, Insurance, Wages, Fees, and Other Expenses. The Owner shall, unless otherwise provided herein, provide and pay for all provisions; deck, engine room, and galley stores; lube oil; slop and garbage removal/disposal; fresh water; insurance on the Vessel; wages of, transportation of, and services for Master, Officers, and crew and consular fees pertaining to them in accordance with paragraph 4.13 (Port Charges and Expenses) above. The Owner will be responsible for all port charges associated with the foregoing.

4.14.2 Dispatch. The Owner, through its agents, employees, and servants, shall commence and prosecute the voyages made pursuant to this Charter with utmost dispatch and shall render all customary assistance with the Vessel's crew and equipment.

4.14.3 Logs. The Owner shall have maintained onboard the Vessel deck and engine room logs, true copies of which shall be retained by the Owner and made available to the Charterer at any time upon request and at no cost to the Government for a period of 10 years after the expiration of this Charter Party. Logs shall be legible and in English.

4.15 Fuel

4.15.1 Delivery Bunkers. Upon delivery of the Vessel, the Owner shall present to the Contracting Officer a statement certified by the Owner or its authorized agent showing the amount and grade of fuel on board at the time of delivery with such additional verification as the Contracting Officer may require and the Charterer shall pay the Owner for such fuel at the current market price at the port of delivery upon certification and verification of such statement by the Contracting Officer, except that for charters where the vessel receives no bunkers during the course of the charter, the Charterer shall reimburse Owner for the amount of fuel used during the Charter at the current market rate at delivery port at time of delivery. The Charterer shall pay for the on-hire bunker survey if performed by an independent surveyor and required by the Contracting Officer. The Owner shall provide additional bunkers as may be required by the Charterer prior to the acceptance of the Vessel by the Charterer; and the Charterer shall reimburse the Owner all costs directly connected with the bunkering of the additional fuel, including but not limited to lighterage, dockage and similar charges, and taxes related therewith.

4.15.2 Provision of Fuel. The Charterer shall ordinarily supply or cause to be supplied any or all of the fuel required by the Vessel during the period of this Charter. The grade of such fuel is to be specified by the Owner, and the grade supplied shall be at least that grade unless otherwise mutually agreed.

4.15.3 Fuel Oil Sampling and Testing.

4.15.3.1 For charters exceeding six months, the Owner shall provide and install a "continuous drip-type" fuel oil testing flange to obtain fuel samples. The Charterer shall bear all costs for fuel testing. The Charterer will provide to the Owner all sample bottles, primary sample containers, seals, and prepaid mailers necessary for collecting and testing bunker fuel. During each bunkering, the Owner shall be responsible for collecting the primary sample by IMO MARPOL VI specified continuous drip sample method, and then generating four individual samples from the primary sample. All samples shall be clearly labeled, sealed and serialized. The four individual samples consist of the 1) MARPOL, 2) Offship Lab, 3) Vendor and 4) Offship Retest samples. The Owner shall retain the MARPOL sample in accordance with MARPOL VI regulations, mail the Offship Lab sample to the Charterer's designated fuel lab using the prepaid mailer, offer the Vendor sample to the fuel supplier, retain the Offship Retest sample until the later of the time that the fuel is consumed or 90 days. The Owner shall record the serial numbers and disposition of all sample bottles in the Ship's Log.

4.15.3.2 For charters of six months or less, the Owner shall perform and bear all costs associated with fuel testing. At a minimum the Owner shall collect, seal, and serialize a MARPOL VI retained sample and an Offship Test sample. The Owner shall have the Offship sample tested in accordance with ISO 8217:2005 for the fuel bunkered. All test results shall be forwarded by email to msc.mschq-fuel.fct@navy.mil.

4.15.3.3 Testing laboratory confirmation of compatibility and specifications of newly on-board delivered fuel shall constitute acceptance by Owner. The Vessel shall not be off-hire in the event of delay resulting from the supply of

fuel found to be off specification, unless for want of due diligence by Owner. If the Owner loads such fuel on the Vessel at his own expense, the Charterer shall reimburse the Owner the reasonable expenses of such loading.

4.15.4 Owner's Purchase of Fuel. The Owner shall, if directed by the Charterer, purchase fuel for the Vessel, in which case the Charterer shall reimburse the Owner the cost of all fuel (excluding lube oils and slop removal) procured by the Owner and loaded in the Vessel during the period of this Charter. If the Owner is required to incur costs under this paragraph by the Charterer, the Charterer shall thereafter reimburse the Owner for the reasonable expenses of such fuel upon presentation of properly certified vouchers, supporting receipts, and other documentation which justify the charges as fair and reasonable in accordance with paragraph 4.27 (Payment) above. The Owner shall not, however, be reimbursed any amount in excess of the current market price of such fuel at the place of loading plus all reasonable expenses incurred by the Owner in loading said fuel on board the Vessel. The title to all fuel for the cost of which the Owner is entitled to be reimbursed hereunder shall automatically pass to and vest in the Charterer upon delivery to the Owner or upon the happening of any other event by which title passes from the vendor or supplier thereof to the Owner, in the case of any such fuel which is purchased for the performance of this Charter. The Charterer shall be afforded all benefits of Owner's contracts for its fuel requirements, including but not limited to any savings addressed in paragraph 4.24 (Savings) below.

4.15.5 Off-Hire. If the Vessel should go off-hire during the period of this Charter, the Owner shall present to the Contracting Officer a statement certified by it or its authorized agent showing the amount of fuel on board at the time the off-hire period commenced and the amount of fuel on board when the off-hire period ended. The Charterer shall be credited for the cost of the fuel consumed during the off-hire period and also reasonable expenses incurred in loading such fuel, with such costs based upon costs at the previous refueling point.

4.15.6 Redelivery. Upon redelivery of the Vessel, the Owner shall present to the Contracting Officer a statement certified by the Owner or its authorized agent showing the amount of fuel on board at the time of redelivery. A bunker survey conducted by an independent bunker surveyor approved by the Charterer shall be performed at the port of redelivery or such other place as the Charterer shall direct, at Owner's time and expense. The Charterer shall be credited with the value of fuel on board at the time of redelivery, computed at the current market price at the port of redelivery, except that for charters where the vessel receives no bunkers during the course of the Charter, the Charterer shall reimburse Owner for the amount of fuel used during the Charter at the current market rate at delivery port at time of delivery.

4.15.7 Reasonable Expenses. The term "reasonable expenses" as used in this paragraph shall mean all reasonable costs excluding crew overtime which are necessarily incurred in loading said fuel on board the Vessel such as expenses incurred at tanker terminal; loading fuel from lighters, barges, or other craft used as lighters, including lighterage, lighter demurrage, or detention incurred; cost of shifting lighters for the convenience of the Vessel, handling lighter lines; and such similar expenses which the Charterer shall find were necessarily incurred in the loading of fuel on the Vessel during the period of this Charter.

4.15.8 Fuel and Speed Warranty.

4.15.8.1 Moderate Weather: Service Speeds.

4.15.8.1.1 Laden. The Owner warrants that, unless otherwise ordered by the Charterer, the Vessel is capable of maintaining, throughout the period of this Charter Party, the average speed in knots identified in the VISA Carrier Vessel Information Sheet, Box 73a. on any given moderate-weather passage from sea buoy to sea buoy while fully laden to summer marks. On any such passage as just described at the average speed identified in Box 73a., daily fuel consumption in net barrels at 60 degrees Fahrenheit shall be at the average rate(s) identified in Box 73a., for the grade(s)/viscosity(ies) therein identified to be consumed.

4.15.8.1.2 Ballast. The Owner warrants that, unless otherwise ordered by the Charterer, the Vessel is capable of maintaining, throughout the period of this Charter Party, the average speed in knots identified in VISA Carrier Vessel Information Sheet, Box 73b. on any given moderate-weather passage from sea buoy to sea buoy while in a ballast condition. On any such passage as just described at the average speed identified in Box 73b., daily fuel consumption in net barrels at 60 degrees Fahrenheit shall be at the average rate(s) identified in Box 73b., for the grade(s)/viscosity (ies) therein identified to be consumed.

4.15.8.1.3 Moderate Weather: Variable Speeds. For periods during which the Charterer orders the Vessel to operate at speeds other than those identified in Boxes 73a. or 73b., the Owner warrants that the Vessel's total fuel consumption (including all auxiliaries) in net barrels at 60 degrees Fahrenheit at those ordered speeds in moderate weather shall be at the average rates identified in Box 74 for the stated speed, range, and load conditions for the grade(s)/viscosity(ies) therein identified to be consumed.

4.15.8.1.4 Auxiliaries. The Owner warrants that the Vessel's fuel consumption (underway/steaming/laden) in net barrels at 60 degrees Fahrenheit for all auxiliaries, in addition to any fuel consumption identified in Boxes 73a or 73b, shall be at the average rate identified in Box 74 for the grades/viscosities therein identified to be consumed, regardless of speed or weather conditions.

4.15.8.1.5 Idle Periods. The Owner warrants that the Vessel's fuel consumption in net barrels at 60 degrees Fahrenheit during all periods at anchor or alongside berth shall be at the average rate identified in Box 74, for the grade(s)/viscosity(ies) therein identified to be consumed.

4.16 Reduced Operational Status (Lay-up)

4.16.1 Charterer's Option. The Charterer shall have the right to direct the Owner to place the Vessel in a period of reduced operational status (ROS). During any such period the rate of hire shall be as stipulated in the applicable VISA Carrier Vessel Information Sheet Boxes 40 – 42, depending on activation stage. The less-than-10-day rates stipulated in Part I shall apply over the full term of: (a) any ROS period which actually extends less than 10 days, and (b) any ROS period which is initially estimated by the Charterer to extend less than 10 days, regardless of the actual duration. The 10-day-and-longer rates stipulated in Part I shall apply over the full term of any ROS period which is estimated to and does extend 10 days or longer, without reference to any other ROS or FOS rates.

4.16.2 Notice to Owner. The Charterer shall give the Owner written or electronic notice or, in the event notice is given by telephone, written or electronic confirmation of exercise of the right specified in 4.16.1 above, including with said notice an estimate of the duration of the ROS period. Such notice shall also specify the time at which the period of ROS is to commence, which time shall not be less than 48 hours subsequent to the receipt of such notice by the Owner or its representative. The Charterer shall give the Owner written or electronic notice or, in the event notice is given by telephone, written or electronic confirmation of termination of the period of ROS. Such notice shall specify the time at which such period shall terminate, which time shall be at least 72 hours (Saturdays, Sundays and holidays excluded) subsequent to the receipt of said notice by the Owner or its representative; provided, however, that by agreement between the Owner and the Charterer the Vessel may be returned to full operational status (FOS) before the time specified in the notice of termination of the reduced operational period.

4.17 Waiver of Claims

All claims whatsoever under this contract must be submitted to the Contracting Officer pursuant to the clause entitled "Disputes" within six months of the accrual of the claim. All claims not so submitted shall be deemed waived by the Owner.

4.18 Charter Not a Demise

Nothing herein contained shall be construed as creating a demise of the Vessel to the Charterer, the Owner under this Charter retaining complete and exclusive possession and control of the Vessel and her navigation.

4.19 Salvage

4.19.1 All salvage moneys earned by the Vessel during the period of this Charter shall be divided equally between the Owner and the Charterer after deducting Master's, Officers' and crew's shares, legal expense, Vessel hire lost, if any, as a result of the salvage service, value of fuel consumed (which shall be paid in full to the Charterer from the salvage award), repairs of damage, if any, and other extraordinary loss or expense sustained as a result of the salvage service. Charter hire shall continue to be paid by the Charterer during deviations for the purpose of performing salvage service.

4.19.2 When engaged in the carriage of Government cargo and if requested by the Charterer, the Owner agrees to accept Navy salvage services. Such services may be provided using Navy personnel and resources or Navy contracted resources.

4.19.3 In providing such services, the Navy, through the Charterer, agrees to waive all claims for “pure” or “bonus” salvage. Instead, the Charterer shall be entitled to the following:

4.19.3.1 In those cases, in which the salvage services are provided by Navy personnel and resources, the salvage claim shall be limited to a schedule of current per diem rates and allowable expenses as established by the Navy’s Supervisor of Salvage. In no event shall such amount exceed a maximum claim of $25,000 per day.

4.19.3.2 In those situations, in which the Navy utilizes contracted resources to deliver assistance, the Owner shall be liable for the actual daily rate charged to the Navy by the Contractor(s).

4.19.3.3 It is understood that this limited Supervisor of Salvage claim is asserted against the Vessel only, is solely for the Vessel's account, and does not include any amounts for the salvage of the Government's cargo. Notwithstanding any other provisions of this Contract, this limited Supervisor of Salvage claim IS NOT directly or by way of setoff chargeable in whole or in part to the Government by way of general average or otherwise.

4.20 Limitations

The Owner shall have the benefit of all limitations of and exemptions from liability accorded to the Owner or Chartered Owner of the Vessel by any statute or rule of law for the time being in force except to the extent that contract terms entitle the Government to compensation from the Contractor for the Contractor's failure to perform the requirements and obligations of this Charter or such statute or rule of law limiting the Contractor's liability is subordinate to any statutorily mandated provision of this Charter Party by operation of law. Nothing in this Charter Party shall operate to limit or deprive the Owner of any statutory exceptions or limitation of liability (against parties other than the Charterer) on the theory of personal contract or otherwise.

4.21 Alterations

The Charterer shall be at liberty to make any additional alterations it may require beyond what is onboard at the commencement of this Charter, such work to be done at the Charterer's expense and on its time. The Charterer shall thereafter, during the period of this Charter, leave the Vessel in her original condition, ordinary wear and tear excepted, provided that the Contracting Officer is notified in writing within 30 days of completion of any alteration that the Contractor requests such restoration or removal. The Charterer shall be at liberty to install any equipment or defensive armament (including demagnetization by installed equipment or other process, e.g., degaussing, wiping, or deperming), to install any additional gear or equipment for loading, carrying or discharging cargoes, and to repaint the Vessel. Such work shall be done at the Charterer's expense and on its time and shall not be such as to be in contravention of any applicable law of the United States or regulation made pursuant thereto. Such equipment, armament, materials, and gear so fitted are to be considered "Government Property" under the terms of FAR clause 52.245-1. The Charterer shall, during the period of this Charter, remove the same together with any alterations and additions thereto at its expense and time and shall restore the Vessel to her condition and color prior to such changes, ordinary wear and tear excepted. The Government shall have the right to abandon in place any alteration or Government furnished property, unless the Contracting Officer is notified in writing within 30 days of completion of any alteration that the Contractor requests such restoration or removal.

4.22 Reimbursable Supplies and Services (charters)

4.22.1 The Government will reimburse the Contractor only for the actual price paid for those supplies and services that are expressly identified as reimbursable items by this Contract. “Actual price" paid by the Contractor for such supplies and services, includes tax paid, if any, and reduced by any and all credits and rebates, whether accrued or realized, associated with the supplies and services provided. “Actual price” does not include material handling charges, overhead, general and administrative costs, profit, or any other indirect cost that is in any way associated with the Contractor’s purchase or provision of such supplies and services. The parties expressly agree that the

offered and accepted daily rate includes all costs incurred or paid by the Contractor, including but not limited to material handling charges, overhead, general and administrative costs, or profit, that are in any way associated with the Contractor's purchase or provision of such supplies and services.

4.22.2 To be eligible to receive reimbursement for services and supplies identified in this Contract as reimbursable items and obtained in support of this Contract, the Contractor must obtain at least three quotes for each transaction in excess of $2,500 to ensure that adequate price competition was sought, or the Contractor must provide an acceptable justification as to why it was impracticable to do so. In the case of fuel purchases, unless directed otherwise by the Contracting Officer, the Contractor shall provide the documentation listed in subparagraphs 4.22.2.1 through 4.22.2.3 below to the Contracting Officer for approval prior to purchasing fuel. For purchases of services and supplies and other than fuel, the Contractor need provide the aforementioned documentation only when requested by the Contracting Officer. The Contractor shall maintain documentation of all reimbursable purchases until three years after the Contract is completed and shall provide access to and copies of such documentation when requested by the Contracting Officer.

4.22.2.1 A description of the supplies or services to be subcontracted.

4.22.2.2 Identification of the proposed subcontractor and price.

4.22.2.3 Suppliers contacted and price quotes. Include other pertinent data such as price lists used if suppliers were not contacted and information regarding the selection if other than price-related factors were considered.

4.22.3 The Contracting Officer may reduce the reimbursement by any amount above that which the Contracting Officer finds, in his/her sole discretion, is greater than that which is fair and reasonable for the supplies or services provided, giving due consideration to the facts and circumstances prevailing at the time that the Contractor procured the supplies and services. Disputes as to the amount by which any reimbursement is reduced shall be resolved in accordance with the "Disputes" clause of the Contract. It shall be the Contractor's burden to demonstrate that the price it paid for reimbursable supplies and services was fair and reasonable.

4.22.4 When the Contractor expects total funding expended for reimbursable items to reach 85 percent of the total funds available on each Reimbursable Supplies and Services CLIN, the Contractor shall notify the Contracting Officer and any other Government official identified by the Contracting Officer. The notice shall state the estimated amount of additional funds required to continue performance for the period specified in the Schedule. The Contractor shall not exceed or incur costs that exceed the amount of funding stated on each Reimbursable Supplies and Services CLIN at the time a reimbursable item is ordered.

4.22.5 The Government is not obligated to reimburse the Contractor for otherwise reimbursable supplies and services in excess of the funded amount stated in the Schedule under each Reimbursable CLIN.

4.22.6 The Contractor is not obligated to continue performance of any reimbursable work under this Contract or otherwise incur costs for reimbursable supplies or services in excess of the funded amount stated in the Schedule under each Reimbursable CLIN unless the Contracting Officer notifies the Contractor that the funded amount stated in the Schedule under the applicable Reimbursables CLIN has been increased. Notification shall be in writing. In the event notification is made orally, such notification shall be followed up in writing within two working days.

4.22.7 No notice, communication, or representation from any person other than the Contracting Officer shall affect the Government's obligation to reimburse the Contractor.

4.22.8 Change orders shall not be considered an authorization to exceed the funded amount stated in the Schedule under each Reimbursable CLIN unless they contain a statement expressly increasing the funded amount of the Reimbursables CLIN by a sufficient amount to cover the change order.

4.23 Standards of Appearance

It is important that the Vessel operation meets the highest possible standards of appearance and Vessel smartness. To this end, the Owner and operator will institute a continuous program of Vessel maintenance. The hull, decks, deckhouse, and all appurtenances will be cleaned and preserved as necessary and painted as required. The interior of the Vessel's deckhouses will be maintained in a clean and orderly state, with all equipage properly and securely stowed. The main and auxiliary machinery spaces will be kept clean and free of excessive accumulations of oil and debris. All spaces will be lighted to allow safe operation and correct maintenance of machinery and equipment.

4.24 Savings

The Owner agrees that any refunds, rebates, credits, discounts, insurance payments, or other amounts (including any interest thereon) accruing to or received by the Owner under this Charter shall be paid by the Owner to the Government to the extent that they are properly allocable to costs, expenses, or reimbursements for which the Owner has been reimbursed by the Government under the terms of this Charter. The foregoing shall apply to any savings to the Owner resulting from a fleet reduction, applied on a pro rata basis.

4.25 Substitution

Subject to the Charterer's approval, the Owner may, at any time, propose to substitute a Vessel or Vessels. The nominated Vessel or Vessels shall possess the same or greater characteristics as the Vessel or Vessels being replaced. Approval of a Vessel substitution is a matter for the Charterer's sole discretion.

4.26 Shipboard Antiterrorism/Force Protection Measures

4.26.1 The Owner agrees that the time or voyage chartered vessel will be under the tactical control of an MSC Area Command. The Area Commander will advise the Master of the vessel of the applicable Force Protection Condition (FPCON) and security measures he is required to implement.

4.26.2 The Owner agrees that while under charter, U.S. Armed Forces personnel may board the Vessel at any time at any location for U.S. national security purposes, gives consent for such boarding, and agrees to cooperate fully with such U.S. Armed Forces personnel in the boarding party. The Owner also agrees to permit U.S. Armed Forces personnel to search without limitation any and all vessel spaces for U.S. national security purposes.

4.26.3 The Charterer reserves the right, at the Charterer’s sole option, to embark armed U.S. Armed Forces personnel at any time during the period of this Charter to protect U.S. Armed Forces personnel, cargo or equipment onboard the Vessel, or to protect the Vessel itself. These force protection personnel will provide security in accordance with rules of engagement established by competent U.S. military authorities and will operate under the command of such authorities. The Owner shall provide accommodations and victualling for these embarked personnel. The Charterer shall reimburse the Owner for all expenses relating to the embarkation force protection personnel as provided in this Charter for Supercargo.

4.26.4 The Owner agrees to render all necessary assistance to U.S. Armed Forces personnel with respect to the identification and screening of crewmembers or such others as may be aboard the Vessel. The Owner consents to the immediate removal of crewmembers or such others as may be aboard the Vessel deemed unsuitable for any reason by the Contracting Officer or U.S. Armed Forces personnel. The Owner agrees to replace any such crewmembers promptly and that such replacements will fully comply with all crew screening requirements. The Charterer agrees to reimburse the Owner for the reasonable costs directly incurred by the Owner with respect to such replacements.

4.26.5 The Owner agrees to comply with the current vessel physical security measures required by relevant MSC Force Protection instructions or other security-related directions from MSC or U.S. military authorities for the threat condition of the area. This may include turning off the Automatic Identification System and Long Range Identification and Tracking system onboard the Vessel or adopting other security measures. Additionally, the Owner of chartered vessels will comply with and implement the requirements of MSC’s current SHIPBOARD ANTITERRORISM/FORCE PROTECTION (AT/FP) PROGRAM instruction, COMSCINST 5530.3 Series, as

revised, incorporated herein by reference.

4.26.6 The Owner agrees to comply with responsibilities addressed in "shipboard military force protection detachment authority to use force" contained in ALMSC 009/03 message. This message includes respective responsibilities of the Vessel Master and Mission Commander of the embarked security team. The Charterer, through the cognizant MSC Area Command, will provide a copy of this message and MSC N3 Force Protection compliance outline memorandum dated 29 October 2008 to the Vessel during the delivery inspection, if applicable, or as requested.

4.26.7 The Owner agrees that the Master and Embarked Security Team Mission Commander/Tactical Supervisor on watch shall work together to implement force protection measures. The Master will ensure that the Tactical Supervisor is aware of ship maneuvers. The Master shall be available to receive reports by the Tactical Supervisor of the tactical force protection picture to allow the Master to maneuver his vessel so as to best protect his vessel and crew.

4.26.8 The Owner agrees that the Master will participate in any embarked security team mission brief that may be given upon embarkation of the Mission Commander.

4.26.9 The Owner agrees to immediately report all FP incidents, warning shots, firing of flares, and disabling fire to the cognizant MSC Area Command. Long term time charters will follow Navy OPREP reporting requirements. In addition, all force protection threats, actions, and incidents will be entered into the vessel's deck log or Force Protection journal as applicable.

4.26.10 The Owner agrees that the Vessel will have an operational internal announcing system and hand-held megaphone.

4.26.11 For time charters, the Charterer, through the cognizant MSC Area Commands, will provide copies of MSCSHIPBOARD ANTITERRORISM/FORCE PROTECTION (AT/FP) PROGRAM, COMSCINST 5530.3 series and the MSC SOM, COMSCINST 3121.9 series during the delivery inspection.

4.27 Payment

All invoices, requests for equitable adjustment, or similar requests for payment under this Charter must be submitted not later than (six) 6 months after the end of the relevant period of service. All invoices, requests for equitable adjustment, or similar requests for payment not so submitted shall be deemed waived by the Owner.

4.28 Special Requirements

4.28.1 Ship Drawings. Within 48 hours of award the Owner shall provide detailed ship drawings indicating all stowage areas, bulkheads, rooms, etc., suitable for the preparation of stow plans. These drawings shall include unusual obstructions or characteristics not readily discernable from deck drawings.

4.28.2 Force Protection/Supercargo: Notwithstanding any restrictions in this Charter Party to the contrary, Owner agrees to the embarkation of up to 12 armed force protection personnel as provided for under the Force Protection clause. In the event complying with this requirement exceeds the Vessel's Certificate of Inspection (COI), Owner agrees to make reasonable efforts to obtain within two business days of award, all appropriate waivers so as to allow the Vessel to carry such additional personnel. If Owner is unable to obtain the necessary waivers, Charterer shall have the option to cancel this Charter at no cost to the Government. The option to cancel shall be declared not later than 24 hours after the expiration of the aforementioned two-day period. The cost of any additional lifesaving equipment shall be for Owner's account.

4.29 Statutory Employee

Pursuant to Louisiana Revised Statutes (La.R.S.) 23:1061(A)(3) the Department of the Navy, by and through Military Sealift Command, and Contractor expressly provide and agree that the United States of America and/or the

Department of the Navy, by and through Military Sealift Command, is the statutory employer of any of Contractor's employees and is entitled to the tort immunity provided in La.R.S. 23:1061 and La.R.S. 23:1032.

4.30 In-Transit Visibility

4.30.1 MSC has implemented a fully automated satellite tracking system (ASTARS) for the purpose of providing In-Transit Visibility (ITV) of its Vessels. To support this system, the Owner's Vessel shall be equipped with an INMARSAT-C Terminal or equivalent system with GPS input.

4.30.2 Prior to delivery of the Vessel, the Owner shall provide to the Charterer the make and model of the INMARSAT-C terminal, its registered identification number, and the specific satellite (POR, AORE, AORW, or IOR) on to which it is currently logged. Once this information is received, MSC technicians will remotely communicate with the terminal to activate reporting. When no longer required, MSC technicians will stop the terminal from reporting. The Owner shall provide MSC technicians with assistance as required to activate and maintain ASTARS reporting.

4.30.3 The cost of ASTARS reporting shall be included in the fixed price of this Charter.

4.31 Security Threat

In the event of a security threat or incident involving the Vessel, crew or cargo during the voyage, the Vessel's Master shall report any incident immediately to the MSC Area Command in whose area the Vessel is currently located. The MSC Command Center should be contacted if cognizant Area Command cannot be reached. Contact numbers will be provided upon award.

4.32 Immunizations (U.S. Flag Only)

4.32.1 PROPHYLACTIC AND MEDICAL COUNTERMEASURES, INCLUDING IMMUNIZATIONS: U.S.-flag time-chartered vessel(s) services are considered essential Contractor services to the Department of Defense in support of military and associated support missions. As a result, Masters, officers, crewmembers, and other individuals who are embarked on such vessels for Owner's purposes, including but not limited to subcontractors, are considered Contractor personnel performing mission essential services under DODI 1100.22, October 29, 2010, and are subject to the following:

4.32.1.1 Masters, officers, crewmembers, and other individuals, as described above, who are embarked on any vessel(s) subject to this Charter shall be medically pre-screened, and issued or given prophylactic and medical countermeasures, including immunizations, in accordance with COMSC policy. Owner shall ensure that all Masters, Officers, crewmembers, and other individuals embarked on any vessel(s) subject to this charter comply with all such prophylactic and medical countermeasures, including all immunization requirements in effect or made during the period of this Charter, including any options or extensions. Notification of the requirements pursuant to this section shall be provided to Owner by the Contracting Officer.

4.32.1.2 When prophylactic and medical countermeasures, including immunizations are required pursuant to this clause, Owner shall provide notification, as directed by the Contracting Officer, of the immunization status of all embarked personnel within 24 hours of fixture or award. Further, at any time during the contract period, the immunization status of any relief personnel scheduled to board the vessel(s) is required no later than 96 hours prior to the personnel change, unless authorized otherwise by the Contracting Officer.

4.32.1.3 Any Master, officer, crewmember or other individual who refuses to comply with any prophylactic or medical countermeasure requirement, including any immunization requirement, or any policy concerning the use of said prophylactic or medical countermeasure, or who for medical, personal, religious or any other reason declines or is ineligible to take or use a particular required immunization or other prophylactic or medical countermeasure, shall be removed by Owner from the Vessel as soon as possible, but not later than the next port call, and replaced, with an individual of equal or better qualifications who has, as applicable, the required immunization(s) or is eligible and willing to comply with the requirement. Any removal and replacement of personnel pursuant to this clause shall be solely at Owner's expense, including, but not limited to, travel, per diem, wages and associated administrative

expenses.

4.32.1.4 Crew shortages resulting from the application of this section may subject the vessel(s) to being placed off-hire.

4.33 Investigations

The Owner agrees to cooperate in any investigation conducted by the Charterer. Such cooperation shall include, but not be limited to, the production of documents and logs and making the Owner's employees available for interview.

4.34 Military Extraterritorial Jurisdiction Act

Upon award of this Contract, the Contractor shall immediately notify all contractor personnel, who are or who will be employed by, or who are or who will be accompanying, United States Armed Forces outside the continental United States (OCONUS), and who are not a host country national ordinarily resident in the host country, that such personnel, and any dependents residing with such personnel, who engage in conduct OCONUS that would constitute an offense punishable by imprisonment for more than one year if the conduct had been engaged in within the special maritime and territorial jurisdiction of the United States, may potentially be subject to the criminal jurisdiction of the United States as required by the Military Extraterritorial Jurisdiction Act of 2000, Pub. L. 106-523, 114 Stat. 2488, codified at 18 U.S.C. 3261 – 3267, as implemented by DoD Instruction 5525.11, "Criminal Jurisdiction over Civilians Employed by or accompanying the Armed Forces outside the United States."

SECTION 5 DRY CARGO TIME ADDITIONAL CONTRACT REQUIREMENTS (AS APPLICABLE)

Unless specifically incorporated into the Task Order, the paragraphs that follow do not apply:

5.1 Navigational Equipment

5.1.1 In addition to equipment required by the United States Coast Guard (USCG), the Vessel shall be equipped upon delivery with navigational equipment that meets minimum international requirements.

(b) Fuel Monitoring

5.1.2 A computer-generated reporting system, which monitors daily fuel oil consumption, shall be installed. At a minimum, the reporting system will show the following (automated to maximum extent practicable):

(i) Daily fuel oil consumption
(ii) Speed made good over the ground
(iii) Speed made good through the water
(iv) Average propeller RPM per day
(v) Vessel draft
(vi) Sea and weather states
(vii) Length of Day (e.g., 23, 24, 25 hours)

5.1.3 At the end of each voyage/passage, the Contractor shall submit a summary giving the total time at sea, total distance steamed, total average speed, and total fuel consumed for the passage.

5.1.4 The fuel oil monitoring/reporting system shall record on a daily and quarterly basis as described above. Reports and data collected by the system shall be submitted quarterly to the address provided by the Contracting Officer. The Contractor shall provide the data via e-mail and on a CD ROM compatible with MS Word and Excel. The submission shall include the file path/directory of the CD and the definition of the data elements in the file.

5.1.5 Contractor shall include a statement certifying the accuracy of the data contained therein as a true and exact copy of Vessel deck and engine logbooks with the quarterly fuel oil report.

5.2 Time Charter War Risk Coverage

5.2.1 Under the authority of 46 U.S.C. § 53905, the U.S. Maritime Administration (MARAD) will furnish the following war risk insurance coverages, which will be effective during the Vessel's transit during this Charter of areas currently excluded under commercial marine insurance war risk trading warranties.

5.2.1.1 War Risk Hull Coverage, insured at the hull value stated in Vessel's current commercial hull and increased-value policies effective on Charter Party date, a copy of which current hull policies shall be furnished to the Charterer;

5.2.1.2 War Risk Protection and Indemnity coverage, insured at a value of either: (i) one-hundred fifty percent of the hull value stated in Vessel's current commercial hull policy effective on Charter Party date; or (ii) USD 50 million, whichever is greater, but in no event exceeding that amount of commercial P&I cover which was in effect for the Vessel on Charter Party date;

5.2.1.3 War Risk Blocking and Trapping Coverage;

5.2.1.4 War Risk Second Seamen's Coverage, the principal sum of which shall be USD 200,000 per Master, Officer, or crewmember (this is also loss-of-life benefit).

5.2.1.5 War Risk Loss-of-Hire coverage, if a commercial loss-of-hire policy was in effect on the Vessel on Charter Party date. The sum insured by this policy, including the amount of lost time that is covered, will be equivalent to the levels insured by the Vessel's commercial policy. However, the amount insured by this policy will in no event exceed the hire rate (effective under this Charter Party when the loss of time began), over a maximum duration of 90 days lost. This maximum amount will be further subject to a deductible equivalent to that in place under the Vessel's commercial policy.

5.2.1.6 Terms of coverage above referenced to be in accordance with MARAD policies issued pursuant to the authority of 46 U.S.C. § 53905 as approved by the Contracting Officer, in the form of Policy set forth in 46 CFR 308, as such form is amended.

5.2.1.7 The Contractor shall provide, as a minimum, a Certificate of Insurance evidencing types and levels of insurance held. If requested by Contracting Officer, the Contractor shall provide a copy of above-mentioned policies with endorsements.

5.2.1.8 Notwithstanding any other provision of this Charter Party, all other insurance shall be for Contractor's account.

5.3 Automated External Defibrillator (AED)

5.3.1 Subject to the requirements of paragraph 5.3.2 below, the Contractor shall provide at least one Automated External Defibrillator (AED) unit. Unless otherwise specified, all AEDs must be FDA approved and be suitable for shipboard use. The Vessel's Designated Medical Representative must be trained to operate and maintain the AED.

5.3.2 The Contractor shall provide sufficient AEDs, stored in a location ready for use, to ensure that response time to shipboard medical emergencies does not exceed five minutes from any location on the Vessel. AEDs shall be stored in a location that is accessible to trained rescuers.

5.4 Both to Blame

5.4.1 To the extent not inconsistent with U.S. law, the following shall apply:

5.4.1.1 If the Vessel comes into collision with another ship as a result of the negligence of the other ship and any act, neglect, or default of the Master, mariner, pilot, or servants in the navigation or in the management of the Vessel, the Charterer shall indemnify Owner against all loss or liability to the other or non-carrying ship or her

owners insofar as such loss or liability represents loss of or damage to, or any claims whatsoever of the Charterer, paid or payable by the other or non-carrying ship or her owners to the Charterer and/or owners of the cargo and set off, recouped, or recovered by the other or non-carrying ship or her owners as part of their claim against the Vessel or Owner

5.4.1.2 The foregoing provisions shall also apply where the owners/operators or those in charge of any ship or ships or objects other than, or in addition to the colliding ships or object are at fault in respect of a collision or contact, stranding, or other accident.

5.5 Tugs and Barges

5.5.1 Construction. All references in this Charter Party to "Vessel" shall be deemed to refer to the Tug and Barge chartered hereunder, unless the context clearly precludes such a reading.

5.5.2 Affreightment. This Charter is deemed to be for the purpose of affreightment and is not a towage contract.

5.5.3 COGSA. COGSA shall apply to this Charter as specified in FAR 52.212-4(j) (Risk of Loss). A barge will not be deemed a "package" thereunder. All cargo in barges will be deemed stowed underdeck for purpose of application of COGSA.

5.6 Contractor Security (CS)

5.6.1 CONTRACTOR SECURITY. This contract language is activated when specifically called out in the RFP. Even when activated, CS may only be necessary during a portion of the contract as determined by the U.S. Government and the RFP. In instances where CS necessary for the entire PoP, “award” shall refer to the award of the contract by USTRANSCOM; in instances where CS is necessary only for portions of the mission’s PoP, “award” shall refer to the award of the subcontract by the prime contractor. The cost of the team shall be included in the fixed price. In the event of emergencies and in response to worldwide events, all contractors may be required to provide CS when so directed by the U.S. Government.

5.6.1.1 The Government requires the Contractor to furnish armed Contractor Security (CS) with a minimum of four (4) persons, as follows:

5.6.1.1.1 Each individual shall, at a minimum:

i. Be armed with one semi-automatic or automatic rifle of 5.56 or 7.62 caliber and a minimum of 500 rounds of military-style full metal jacket ammunition. Included in the ammunition amount should be tracer ammunition for use in support of firing warning shots. See NTRP 3-07.2.2 Weapons Handling Procedures and Guidelines, Ch. 2, 4, 6, and 7 for weapon specification requirements (can be provided upon request). Be armed with one shotgun with a minimum of 20 rounds of appropriate ammunition for use against small Unmanned Aerial Systems (UAS).

ii. Meet the weapons qualifications contained OPNAVINST 3591.1 series or its equivalent.

5.6.1.1.2 The team shall have a minimum of two (2) laser dazzler devices to warn away or deter manned threats, e.g. small boats, small aircraft, helicopters, etc.

5.6.1.1.3 All team members must possess a current TWIC, or have successfully completed a terrorism check (Terrorism Screening Database) by the U.S. Government or commercial equivalent.

5.6.1.2 Contractor shall provide the security support necessary to ensure mission performance. CS shall, at a minimum, perform the following:

5.6.1.2.1 Prevent any Visit, Board, Search or Seizure (VBSS) force, of as many as 15 personnel, from boarding the vessel by any means, to include but not limited to, a helicopter assault.

5.6.1.2.2 Defend the vessel against pirates or terrorists who may use 2 to 20 small vessels simultaneously attacking both sides of the vessel and may be armed with automatic weapons and rocket propelled grenades.

5.6.1.2.3 Defend the vessel against suicide-bomber attacks by manned or remotely piloted small vessels laden with improvised explosive devices.

5.6.1.2.4 Defend the vessel against remotely piloted or GPS-controlled small UAS suicide-bomber attacks.

5.6.1.2.5 Defend the vessel against any other attack designed to steal or sabotage the vessel, its cargo, or cause death or serious bodily harm of its crew or supercargo.

5.6.1.3 The team shall be onboard during the duration of the portion of the voyage(s). Contractor WILL PROVIDE approved firearms and ammunition for the CS as described above (as well as any body armor, tactical communications systems, or protective equipment for their use), and is responsible for delivery to and retrieval from the Vessel of these items. Contractor will provide berthing and victuals for the CS in accordance with the terms of this Contract. The presence of an Embarked Security Team (EST) aboard the ship at the same time as a CST does not eliminate the contractual obligations herein. If the U.S. Government decides to embark an EST, the EST will assume the lead on force protection duties, and the CST will be subordinate to their direction, through the Master, to include disarming and stowing their weapons, if required.

5.6.1.4 DOCUMENTATION REQUIREMENTS AND TIMELINE. The following timeline will be adhered to by all parties for the provision of notifications and documentation:

5.6.1.4.1 Not later than four (4) working days after activation, or notification by the Contracting Officer that CS is required, the contractor shall provide the following for review/approval by the Government:

A statement of Certification and Warranty that:

1. Security Contractor possesses a valid certification under International Standard ISO 28007, Ships and Marine Technology — Guidelines for Private Maritime Security Companies (PMSC) Providing Privately Contracted Armed Security Personnel (PCASP) On Board Ships.

2. CS team members possess a current TWIC card or has undergone a terrorism check (Terrorist Screening Data Base) by the U.S. Government in accordance with the current version of USCG Port Security Advisory 5-09.
3. Firearms that the CS team will bring onboard the vessel meet the Government ‘s requirements in para. 1 above.

4. Only military-style full metal jacket ammunition will be supplied to and used by the CS.

5. All CS team members have met the qualification requirement in para. 1(a)(iii) above and will sign a CS Acknowledgment (below) prior to embarkation.

5.6.1.4.2 Upon request, Contractor shall provide the Contracting Officer with substantiating documentation the Contractor has met its contractually obligated standards, e.g., list of weapons, ammunition, and qualifications for the CS, list of CS personnel assigned (including full name and TWIC number or documentation of terrorism screening.

5.6.1.4.3 Contractor is responsible for the secure transmission of any personally identifiable information (PII). Questions should be directed to the Contracting Officer.

5.6.2 PERMISSION FROM VESSEL’S FLAG STATE (NON-U.S. FLAG). The Contractor will warrant in its proposal that it has confirmed with the Vessel’s flag state (for a flag other than the U.S.) that embarkation of an

armed CS for the purposes stated in the Contract does not violate flag state law. Once so warrantied, the Contractor shall hold harmless the U.S. Government for any violations of local or flag state law or international treaties required by contract performance. The inability of a CS team to perform the contractual duties may result in non-compliance for purposes of proposal evaluation or a breach of contract terms during performance.

5.6.3 RULES FOR USE OF FORCE & LEGAL COMPLIANCE. When using force, to include deadly force, CS personnel will at a minimum comply with the use of force rules found in:

5.6.3.1 Current version of DoD Directive 5210.56, ARMING AND THE USE OF FORCE (particularly enclosure 2 thereto);

5.6.3.2 Current version of SECNAV Instruction 5500.37, ARMING AND THE USE OF FORCE; and

5.6.3.3 Current version of ALMSC Message, Subject: RULES FOR THE USE OF FORCE BY VISA MARINERS.

5.6.3.4 The Contractor shall request copies of the above guidance from the Contracting Officer if they do not have it. Contractor shall immediately report any discharge of weapon(s) or use of force by CS personnel to the ship's Master, Contracting Officer, and the MSC Area Commander, and shall cooperate with and ensure that CS personnel cooperate with any investigation of the incident by MSC, U.S. Navy, DoD, or other U.S. Government agency. The standing rules of engagement applicable to U.S. military members are not applicable to CS personnel.

5.6.4 Written Contract Security (CS) Acknowledgment of Contractor, Subcontractor(s), & CS Personnel.

5.6.4.1 Prior to embarkation of the CS, all CS personnel shall sign a CS ACKNOWLEDGMENT. The Contractor is responsible for the submission of the CS Acknowledgment by CS personnel.

5.6.4.2 The CS Acknowledgment to the Contracting Officer will state that:

CONTRACT SECURITY (CS) ACKNOWLEDGMENT (CSA)

The undersigned AFFIRMS by signatures (along with their printed names and dates of signature) at the bottom of this Acknowledgment, that they have read and understand the contents of this Acknowledgment, have truthfully provided any required information, and will comply with all requirements contained in this Acknowledgment.

(1) CS personnel have been briefed by the Contractor or CS subcontractor(s) and understand they will provide security on the Vessel and defend against threats to the Vessel, its crew, and DoD military cargo on board. In particular, CS personnel shall be prepared to:

(a) Prevent any Visit, Board, Search or Seizure (VBSS) force, of as many as 15 personnel, from boarding the vessel by any means, to include but not limited to, a helicopter assault.

(b) Defend the vessel against pirates or terrorists who may use 2 to 20 small vessels simultaneously attacking both sides of the vessel and may be armed with automatic weapons and rocket propelled grenades.

(c) Defend the vessel against suicide-bomber attacks by manned or remotely piloted small vessels laden with improvised explosive devices.

(d) Defend the vessel against remotely piloted or GPS controlled small UAS suicide-bomber attacks.

(e) Defend the vessel against any other attack designed to steal or sabotage the vessel, its cargo, or cause death or serious bodily harm of its crew or supercargo.

(2) Unlawful or otherwise improper use of force may subject the Contractor, subcontractor(s), and their employees (including CS personnel) to criminal prosecution and/or civil liability under U.S., flag state, local, or international law.

(3) CS personnel have been briefed by the Contractor or CS subcontractor and understand limitations on the use of force. In particular, the standing rules of engagement applicable to U.S. military members are not applicable to CS personnel. When using force, to include deadly force, CS personnel will at a minimum, comply with:

(i) Current version of DoD Directive 5210.56, ARMING AND THE USE OF FORCE (particularly enclosure 2 thereto);

(ii) Current version of SECNAV Instruction 5500.37, ARMING AND THE USE OF FORCE; and

(iii) Current version of ALMSC Message, Subject: RULES FOR THE USE OF FORCE BY VISA MARINERS.

(4) CS personnel will only use U.S. government-approved firearms and ammunition. These government-approved firearms and ammunition, as well as any body armor, tactical communications systems, or protective equipment, will be furnished to the CS by the Contactor or CS subcontractor(s), who are responsible for delivery to and retrieval from the Vessel of these items.

(5) Contractor and subcontactor(s) acknowledge that the background and qualifications of CS personnel have been investigated, and certify these personnel are not prohibited under U.S. law to possess firearms, and all documentation provided to the Contracting Officer is accurate.

(6) CS personnel have properly filled out, signed, and provided DD FORM 2760 (**QUALIFICATION TO POSSESS FIREARMS OR AMMUNITION**) and MSC SUPPLEMENT TO DD FORM 2760. Contractor shall provide copies of these completed forms to the Contracting Officer with this CS Acknowledgment.

(7) CS personnel shall each carry a copy of the signed CSA with him or her at all times.

(8) Authorization for CS personnel to use firearms may be revoked for non-compliance with established rules for the use of force by the vessel Master or the Contracting Officer. In the event of such a revocation, the contractor shall:

(a) Provide immediate notification (within four (4) hours) to the Contracting Officer.

(b) Within 24-hours, provide a plan to return the CS to full capability, including providing all required documentation, certifications and Contract Security (CS) Acknowledgement for replacement personnel, for government acceptance/approval.

(9) CS personnel shall be current on all qualifications to use the specified Contractor or subcontractor-furnished and government-approved firearms and will not be issued or use any weapon with which they have not qualified (the date and types of qualification standards that individual CS personnel are in compliance with are set forth below under each of their printed names).

SECTION 6 CARGO PREFERENCE

In compliance with the Military Cargo Preference Act of 1904 (10 U.S.C. § 2631), U.S. flag Carriers have been given preference for award of this contract. Carriers will not employ other than U.S. flag vessels for service under this contract unless the Contracting Officer has provided written exception.

SECTION 7 MARITIME CLAUSES

7.1 Regulatory Compliance/Applicable Documents

7.1.1 The Contractor shall comply with regulations of the Federal Maritime Commission and the Surface

Transportation Board, Department of Transportation and/or other U.S. Governmental organizations, including local regulations at origin, destination and in-transit as may be applicable for service to the U.S. Government in carriage of cargo as set forth in this contract. If the contractor fails to meet any obligation imposed by regulations, then any liability resulting from the contractor's non-compliance with these regulations shall be solely the contractor's responsibility.

7.1.2 Safe Inland Operation. If inland transportation is required during a contingency operation, the contractor shall not be required to receive or deliver shipments at points or places where it is impractical or unsafe to operate tractors, trailers and chassis due to conditions of roads, streets or alleys or when prevented from doing so because of fire, acts of God, acts of war, riots, civil commotions, strikes, lookouts, stoppage or restraints of labor or other labor disturbances.

7.1.3 Custom of the Trade. Wherever the standard of performance by either party is not provided under the provisions of these Basic Terms, then the "Custom of the Trade" shall be used as a standard of performance. This phrase shall mean the established practice generally accepted for Marine Shipping Industries for transportation service in the geographic area where the service is performed or to be performed.

7.1.3.1 Security and protection of cargo. In any event, the contractor shall at all times be responsible to assure the security and protection of the cargo until relieved of such responsibility by the U.S. Government or its designated agent.

7.2 Hazardous Cargo

7.2.1 Limitations of Contractor's Obligation

7.2.1.1 The U.S. Government shall provide accurate and timely hazardous cargo documentation in accordance with applicable laws and regulations. The Contractor may refuse to transport hazardous cargo by ocean which does not conform in all respects to applicable laws and regulations.

7.2.1.2 Transport Emergency Cards (Tremcards). The Contractor shall produce "tremcards" for hazardous cargo transiting through countries where this requirement exists.Liberty to deviate. The vessel shall have the liberty to deviate for the purpose of saving life and property, to tow or to be towed, to sail with or without pilots, or to go into dry dock or into ways with or without cargo on board. However, in no case shall the Contractor be entitled to extra compensation for such a deviation and the Contractor shall not be relieved of responsibility for delivery of cargo to the destination named in the Shipping Order.

7.2.1.3 Amended Jason Clause

7.2.1.4 In the event of accident, danger, damage, or disaster, before or after commencement of the voyage resulting from any cause whatsoever, whether due to negligence or not, for which, or for the consequence of which, the contractor is not responsible, by statute, contract, or otherwise, the goods, shippers, consignees, or owners of the goods shall contribute with the contractor in general average to the payment of any sacrifices, losses or expenses of a general average nature that may be made or incurred, and shall pay salvage and special charges incurred in respect of the goods. If a salvaging vessel is owned or operated by the contractor, salvage shall be paid for as fully as if such salvaging vessel or vessels belonged to strangers.

7.3 General Average

General average shall be adjusted, stated and settled, according to York-Antwerp Rules 2004 and subsequent Amendments, if any thereto at such port or place in the United States as may be selected by the contractor, and as to matters not provided for by those Rules, according to the laws and usages at the Port of New York. In such adjustment, disbursements in foreign currencies shall be exchanged into United States money at the rate prevailing on the dates made and allowances for damage to cargo claimed in foreign currency shall be converted at the rate prevailing on the last day of discharge at the port or place of final discharge of such damaged cargo from the ship.

SECTION 8 JOINT PLANNING ADVISORY GROUP (JPAG)

8.1.1 USTRANSCOM or MARAD may request Joint Planning Advisory Group meetings to be held at a government location on a quarterly basis at no additional charge. The government anticipates at least semi-annually, contract users and providers shall be invited to attend JPAG meetings. The purpose of the meetings will be to conduct contingency operations planning.

8.1.2 The contractor is required to participate in JPAG and other joint planning forums when directed.

SECTION 9 COMPANY COMMAND CENTER

9.1 Planning and Coordination

9.1.1 Although the contractor has participated in peacetime in general DOD industry planning for contingencies, activation of a Stage of VISA to which the contractor has committed resources may require intensive, specific planning and coordination between DOD and the contractor. The Contractor shall submit points of contact who can respond to U.S. Government activities on a 24/7 basis to provide expert assistance in answering questions, exchanging information, and resolving problems upon notification of activation. The contractor is required to establish a company command center upon notification of VISA activation and provide planning documentation. The contractor's planning documentation shall include points of contact, 24-hour telephone numbers and describe with adequate specificity how the command and control operations will be carried out for Government cargo during the activation performance period.

9.1.2 Activation Response Requirement. To prepare for a potential call-up, the contractor shall establish a company command center within 24 hours after activation of a Stage of VISA to which it has committed resources.

9.1.3 The contractor shall maintain reliable communication capability between the contractor and U.S. Army Military Surface Deployment and Distribution Command, Command Operations Center (618) 220-4262. At a minimum, the means of communication shall include those facilities normally used by the contractor in conducting commercial business.

SECTION 10 QUALITY, CONTROL, REPORTING AND RECORDS

10.1 Quality Control

10.1.1 The Contractor shall promptly notify the appropriate Contracting Officer of any problems or failures that may affect performance. Upon request, the Contractor shall provide the Contracting Officer with a written plan of corrective action, including a proposed timeline, within 10 business days after such request. This plan shall describe proposed Contractor actions to correct the problem or deficiency and bring performance back in compliance with identified performance standards.

10.1.2 The Contracting Officer shall monitor Contractor performance and compliance with the terms and the conditions of the contract using standard techniques such as inspections, U.S. Government-generated management reports, Contractor reports and customer feedback. The Contractor shall attend periodic meetings called by the Contracting Officer to discuss operations and problem areas.

10.2 Retention of Records

The Contractor shall maintain and, upon request, provide to the Contracting Officer such documentation deemed relevant to performance of transportation services ordered under the terms of this contract. Records will be maintained and available to the Contracting Officer throughout the term of the contract and for three years after final payment in accordance with FAR 52.212-5(d).

SECTION 11 PRICING METHODOLOGY

11.1 Standard Negotiation Procedures

11.1.1 VISA contemplates that the contingency contract will be capable of a smooth transition from peacetime services to contingency services. Compensation is negotiated by the Contractor and USTRANSCOM under standard negotiation procedures.

11.1.2 VISA contemplates that compensation for those specific Contractor vessels, if any, committed to Stage III of VISA pursuant to Contractor obligations under the MSA and activated under Stage III of VISA shall be in accordance with a DOD pre-approved rate methodology. In fulfillment of section 46 U.S.C. § 53107, the Secretary shall include in each Emergency Preparedness Agreement provisions approved by the Secretary of Defense under which the Secretary of Defense shall pay fair and reasonable compensation for all commercial transportation resources provided pursuant to this section. Compensation shall not be less than the contractor's commercial market charges for like transportation resources; shall be fair and reasonable considering all circumstances; shall be provided from the time that a vessel or resource is required by the Secretary of Defense until the time that it is redelivered to the contractor and is available to reenter commercial service; and shall be in addition to and shall not in any way reflect amounts payable under section 46 U.S.C. § 53106.

11.1.3 The Contractor is authorized to update their VISA rates on an annual basis, if desired.

11.1.4 Defense Base Act costs shall be invoiced as a pass-through reimbursement item in accordance with Section 13, Invoicing and Payments.

SECTION 12 INVOICING AND PAYMENTS

12.1.1 Invoices shall be submitted in accordance with the invoicing instructions stated in the task order upon VISA activation only after services included on the invoice have been satisfactorily performed (Ref FAR 32.905). Invoices shall be submitted within the timeframe requested under the established billing procedures stated in the task order upon VISA activation.

12.1.2 In accordance with the Prompt Payment Act, payment terms are net 30 days from receipt of a proper invoice. Exception will be made for small businesses – the U.S. Government's goal is to pay within 15 days from receipt of a proper invoice for the entities properly identified in the Central Contractor Registration (CCR) database as small businesses.

12.1.3 The U.S. Government and Contractor will resolve any differences between the invoice amount and the validated amount for reconciliation purposes. Upon completion of the reconciliation, the U.S. Government will make final payment on the invoice or the contractor will reimburse the U.S. Government for any charges paid above the reconciled amount.

12.1.4 A proper invoice contains the following information:

– Contractor Name and Address
– Invoice Date and Invoice Number
– Contract Number
– Taxpayer Identification Number
– Dollar amount of invoice
– Name and address of contractor official to whom payment is to be sent (must be the same as that in the contract or in a proper notice of assignment)
– Any additional information as requested under the billing procedure
– ****Certification Statement signed by authorized contractor representative: "*I hereby certify that the above bill is correct and just, and services were performed*".**

SECTION 13 SECURITY (Physical, Personnel, Information, Antiterrorism/Force Protection and Industrial)

13.1 General Security Information

The majority of daily work associated with this PWS/SOW is at the unclassified level, but contractor personnel may be required to access classified information/systems at the SECRET level, and/or classified areas at the SECRET level, during the performance of this contract/task order. Specific security requirements are identified in this section of the PWS/SOW and the DD Form 254 (DoD Contractor Security Classification Specification). A completed/signed DD Form 254 will be attached to the contract.

13.2 Citizenship and Clearance Requirements

13.2.1 The contractor's, subcontractor's, and/or partner's personnel performing services under this contract shall be citizens of the United States of America. Overall, all contractor personnel shall possess the appropriate personnel security investigation for the position(s) occupied. Contractor personnel shall be required to have a background investigation that corresponds with the sensitivity level of the tasks to be performed. Neither dual citizens nor non-U.S. citizens are eligible for Common Access Cards (CACs) unless they meet the parameters stated in DoDM 1000.13, volume 1.

13.3 Additional Security Requirements (Transportation Security)

13.3.1 Carriers transporting sensitive or classified shipments will comply with DTR, Part II, Section 205. Only carriers with a valid Facility Clearance Level (FCL) at the SECRET level are authorized to transport classified materials. The FCL can be an interim, but whether an interim or final FCL, it must be valid at the time of award and granted by the Defense Counterintelligence and Security Agency (DCSA).

13.4 Security Clearance Requirements

13.4.1 Some positions on this task order (contract) require a minimum of either an interim SECRET granted by the DCSA Vetting Risk Operations (VRO), or a completed adjudication of SECRET granted by the DCSA Consolidated Adjudication Services (CAS). Only Contract employees with a personnel security clearance working for contractor companies with a facility clearance granted by DCSA are eligible for access to classified information. The Contractor must have a valid FCL at the SECRET level. Interim FCLs are acceptable provided they are not expired. The Contractor shall submit, in a timely manner, information requests for clearances to ensure that corporate officers and at least the Master, Chief Mate, and one additional officer (deck or engineering) of the Vessel are cleared to receive information up to and including SECRET.

13.5 Facilities Clearance Level (FCL).

13.5.1 Facility Clearances are not mandatory for VISA participation. However, in order for the Contractor to participate in JPAGs, classified briefings/meetings, classified exercises, etc. and/or move sensitive/classified cargo, the contractor must have a valid FCL at the SECRET level. FCL procedures and security guidelines for adjudicative requirements are outlined in 32 CFR, 117. FCLs and interim FCLs must be awarded by DCSA Facility Clearance Branch. The Contractor warrants that the Vessel shall comply with all administrative requirements, including the necessary investigative actions required by the Government to obtain a Government facility clearance for the Vessel and any other facilities necessary to carry out the terms of the Contract.

Contractor Facility Clearance. If the Contractor is required to participate in the items outlined in paragraph 13.5.1, the Contractor shall submit for a SECRET facility clearance at time of VISA contingency contract execution and maintain the facility clearance for the duration of the contract.

13.6 Visits by Non-Assigned Contractors to USTRANSCOM/SDDC Buildings

13.6.1 Any visit(s) by contractor personnel not permanently assigned to this contract (i.e., company presidents, company security managers, contractor personnel not permanently assigned at SAFB, etc.) require an electronic visit access request be submitted using DOD personnel security system of record. The DOD personnel security system visits can be forwarded to the Security Management Office (SMO) code: USTC-S-USTC-SDDC-1. The visit access request shall annotate the contract/task order number in the point of contact (POC) block of the visit access request and the name/phone number of the CO in the phone number block. Entrance into USTRANSCOM building 1900 will be via the breezeway between 1900E and 1900W. The contractor visitors must come to the Protection

Services Center for validation of their clearance and visit access request. Temporary badges or escort required badges will be issued based on access eligibility.

13.6.2 Supplemental Notes Regarding Visit Information in the DOD Personnel Security System of Record. Personnel requiring access to Government facilities will properly complete the "Visit Information" block in the DoD personnel security system of record. Otherwise, contractor employees will be denied access to the facility and classified and/or sensitive information. Also, prime contractors will annotate their contract number and subcontractors will provide the name of their Company, with the prime contract number they are assigned to by the Prime, in the "additional information" block of the Visit table. A valid "Reason for the Visit" must be stated and the "visit access" must not exceed that of the contract.

13.7 Accessing NATO Information

No contractor employee will access NATO information without first being indoctrinated on NATO and having that access recorded in the DoD personnel security system of record. Any NATO information accessed will be only on SIPRNet. Senders of NATO information will ensure the receiving network is accredited and the receiving point is a Sub-Registry or authorized Control Point. No NATO information will be stored with U.S. classified information. Access to NATO information will be based on need-to-know, appropriate access level, and training. NATO information will not be disseminated to unauthorized users. NATO information will not be printed unless authorized by a USTRANSCOM NATO – Sub-Registry person in TCCS-PR. All printed NATO classified information must be strictly controlled and tracked in a NATO registry. Contact the USTRANSCOM Sub-Registry for additional control measures. In accordance with 32 CFR Part 117, NATO briefed personnel will be re-briefed on an annual basis. USTRANSCOM will indoctrinate all on-site contractor employees and document in the DoD personnel security system of record. Contractor personnel assigned to USTRANSCOM facilities will be NATO briefed and debriefed by USTRANSCOM, with appropriate annotations to the DoD personnel security system of record. Company FSOs may take responsibility for all NATO refresher briefings per 32 CFR Part 117 and record the date of the annual briefings in the DoD personnel security system of record.

13.8 Classified Information at Contractor Headquarters

No classified information obtained by contractor visitors at USTRANSCOM can be taken from USTRANSCOM back to the contractor company headquarters unless that specific CAGE code location has been granted safeguarding by DCSA. No contractor employee will hand-carry classified information from USTRANSCOM back to the contractor's location without written approval from USTRANSCOM/TCCS-PR. If authorized, the contractor courier must be briefed on responsibilities to safeguard the information and have a signed USTRANSCOM courier letter in his or her possession.

13.9 Classified Meetings

Visitors are required to follow the USTRANSCOM guidelines for attending classified meetings.

13.10 Derogatory Information

If the Government notifies the contractor that the employment or the continued employment of any contractor personnel is prejudicial to the interests or endangers the security of the United States of America, that employee shall be removed and barred from the worksite. This includes security deviations / incidents and credible derogatory information on contractor personnel during the course of the contractor/task order's PoP as noted in the DoD personnel security system of record. Personnel who have incident reports posted in the DoD personnel security system of record will be denied the ability to support the contract/task order until the issues have been resolved and the incident has been removed in the DoD personnel security system of record. The contractor shall make any changes necessary in the appointment(s), at no additional cost to the Government. If any incident involves or may involve the mishandling of classified information or a potential Negligent Discharge of Classified Information, the USTRANSCOM Office of Protection and Response (TCCS-PR) (618-817-6554) will be notified within 24 hours during the normal work week and within 72 hours if the incident occurs over the weekend.

13.11 Antiterrorism/Force Protection

Contractor employees will comply with antiterrorism Force Protection conditions (FPCONs) at the location they are performing work, whether it is CONUS or OCONUS.

13.12 Defense Transportation Regulation

In addition to the NISPOM Rule (CFR 32 Part 117), contractors are required to be familiar with the Defense Transportation Regulations (DoD 4500.9.R, Part II, Appendix E).

13.13 Security Regulation Guidance

Department of Defense (DOD):

- CFR 32 Part 117, National Industrial Security Program Operating Manual (NISPOM)
- DoD 5200.02, Personnel Security Program, 17 April 2017
- DoD 5200.08-R, Change-1, DoD Physical Security Program, May 27, 2009
- DoD O 2000.16, DoD Antiterrorism (AT) Standards, Vol. 1, November 17, 2016
- DoDI 5200.02 DoDM Procedures for the DoD Personnel Security Program
- DoDI 8500.01, Cybersecurity, March 13, 2014
- DoDI 8500.01, Cybersecurity, March 13, 2014
- DoDM 5200.01 VOL. 1, DoD Information Security Program: Overview, Classification, and Declassification, 24 February 2012
- DoDM 5200.01 VOL. 2, DoD Information Security Program: Marking of Classified Information Summary of Changes, CH 2, 19 March 2013
- DoDM 5200.01 VOL. 3, DoD Information Security Program: Protection of Classified Information Summary of Changes, CH 2, 19 March 2013
- DoDM 5200.01 VOL. 4, 2/24/2012 DoD Information Security Program: Controlled Unclassified Information (CUI) Summary of Changes, 24 February 2012
- DTM 08-027, Change-1, Security of Unclassified DoD Information on Non-DoD Information Systems, September 16, 2010
- DoD 4500.9.R, Part II, Appendix E, Defense Transportation Regulations

DoD: (DoD issuances found at: http://www.dtic.mil/whs/directives/corres/pub1.html)

USTRANSCOM:

- USTRANSCOM Instruction 31-02 (USTRANSCOM Security Classification Guide), 6 April 2018
- USTRANSCOM Instruction 5200.08 (Operations Security – OPSEC), 18 June 2021

FORMS:

- DD Form 254, DoD, Contract Security Classification Specification
- FD Form 258, Fingerprint Card

Contractor Facility Security Officer (FSO):

The prime Contractor will forward the name, address, email address and telephone number of the Company FSO and backup to the USTRANSCOM Office of Force Protection and Response (TCCS-PR) at transcom.scott.tccs.mbx.industrial-security@mail.mil at time of award and if any changes occur.

USTRANSCOM Force Protection (Industrial Security) Points of Contact:

USTRANSCOM
Attn: TCCS-PR (Industrial Security Specialist)
508 Scott Drive
Scott AFB IL 62225
Commercial: 618-817-6550
Email: transcom.scott.tccs.mbx.industrial-security@mail.mil

USTRANSCOM TCCS-PR Approval:

Andrew Daub, Chief, USTRANSCOM Office of Protection and Response
USTRANSCOM TCCS-PR Tracking #: TCCS-XX-XXX-XXX

MSC Maritime Global Operations Center (MGOC) Point of Contact:

Battle Watch Captain
Commercial: 757-443-5845
Email at MSCHQ.BWC.fct@navy.mil

SDDC G34 Protection Division (Industrial Security) Point of Contact:

SDDC
Attn: G34 (Jeff McGrath or Tony Cameron)
1 Soldier Way
Scott AFB IL 62225
Commercial: 618-220-7755/6559
Email at jeffrey.t.mcgrath.civ@mail.mil or standa.t.cameron.civ@mail.mil
SDDC-G34 Approval: Jeffrey T. McGrath, 618-220-7755
HQ SDDC G34 Tracking #: HQSDDCG34-022-15
HQ SDDC G3 e-mail organizational e-mail address: usarmy.scott.sddc.mbx.omb-for-hqcoc@mail.mil

SECTION 14 SECURITY CLEARANCE

The Owner warrants that the Vessel shall comply with all administrative requirements, including the necessary investigative actions required by the Government to obtain a Government facility clearance for the Vessel and any other facilities necessary to carry out the terms of the Contract. The Contractor shall submit, in a timely manner, information requests for clearances to ensure that at least two vessel officers are cleared to receive information up to and including SECRET.

SECTION 15 CYBER SECURITY

15.1 General Cyber Security Requirements

15.1.1 Operationally Critical Support

The services designated under this contract are “operationally critical support” as defined in DFARS 252.204-7012 Safeguarding Covered Defense Information and Cyber Incident Reporting.

15.1.2 Handling and Protection of Non-Public Information

15.1.2.1 In performance of this contract, the Contractor may have access to DoD Transactional Information (DTI), which for the purposes of this section shall mean any information developed or received in the course of planning, ordering, shipping, tracking, and invoicing in support of the requirements of this contract. To adequately protect this DTI, contractor information systems (IS) involved in the performance of this contract shall comply with the security requirements in the current version of the National Institute of Standards and Technology (NIST) Special Publication (SP) 800-171, "Protecting Controlled Unclassified Information in Nonfederal Information Systems and Organizations." Compliance with NIST SP 800-171 measures is required at the prime Contractor level and does not apply to subcontractors and other entities that the prime Contractor engages with in order to meet the requirements of this contract unless the CUI is identified in the contract.

15.1.2.2 Additionally, the Contractor agrees to use such information only for the purposes of fulfilling the contracted requirements and to protect such information from unauthorized release or disclosure. Protection of the DTI does not abrogate any responsibilities of the Contractor to comply with or implement additional cyber security requirements as part of generally accepted system security principles or as required by other categories of information that may be co-resident with the DTI on the Contractor's IS.

15.1.3 Cyber Security Assessments and Mitigation Plans

15.1.3.1 The Contractor shall provide a Self-Assessment of its compliance with NIST SP 800-171 and present a Plan of Action that identifies any deviations, non-compliance, or proposed alternative means of compliance as well as plans for correcting non-compliant requirements to the contracting officer within 60 calendar days of contract award and then annually thereafter on 1 September each year. The Self-Assessment and Plan of Action shall address all of the requirements in NIST SP 800-171. The NIST SP 800-171 Requirements Table below provides modified requirements of CUI/CDI specific controls from NIST SP 800-171 that will be used to evaluate compliance in a non-CUI/CDI environment. Additionally, at any time during the period of performance, when a contractor determines it is non-compliant with a NIST SP 800-171 requirement or an approved alternate means of compliance resulting in a High or Moderate Potential Impact as defined in Federal Information Processing Standards Publication (FIPS PUB) 199, "Standards for Security Categorization of Federal Information and Information Systems," the Contractor shall submit a Plan of Action within 15 calendar days of the determination of non-compliance.

15.1.3.2 Plans of Action and any requests to vary from NIST SP 800-171 shall be submitted to the contracting officer for consideration and approval by USTRANSCOM. The Contractor need not implement any security requirement determined by USTRANSCOM to be non-applicable or to have an equally effective alternative security measure implemented in its place. The Plan of Action shall follow the template provided. Alternate formats for the Plan of Action may be proposed and must be approved by USTRANSCOM.

15.1.3.3 USTRANSCOM may conduct an on-site visit to a contractor's facility or request a third-party assessment (U.S. Government agency or U.S. Government funded commercial entity) to review progress towards meeting their Plan of Action, evaluate any proposed variances to NIST SP 800-171 requirements, and to assess residual risk to the DTI resulting from non-compliance. Date and time of on-site visits will be mutually agreed-upon by USTRANSCOM and the Contractor in advance.

Table 1

NIST SP 800-171 Requirements		
Req #	NIST SP 800-171 Requirement	USTRANSCOM Modified Requirement
3.1.3	Control the flow of CUI in accordance with approved authorizations.	Limit the flow of DoD information to organizations or individuals necessary for the performance of the operationally critical

		requirements of this contract.
3.1.9	Provide privacy and security notices consistent with applicable CUI rules.	Provide privacy and security notices consistent with U.S. Government and/or local governmental regulations.
3.1.19	Encrypt CUI on mobile devices and mobile computing platforms.	Provide adequate technical protections on mobile devices and computing platforms that process and/or store contractual information.
3.1.22	Control CUI posted or processed on publicly accessible systems.	Control DoD information posted or processed on publicly accessible systems.
3.7.3	Ensure equipment removed for off-site maintenance is sanitized of any CUI.	Ensure equipment removed for off-site maintenance is sanitized of DoD information.
3.8.1	Protect (i.e., physically control and securely store) system media containing CUI, both paper and digital.	Protect (i.e., physically control and securely store) system media containing DoD information, both paper and digital.
3.8.2	Limit access to CUI on system media to authorized users.	Limit access to DoD information on system media to authorized users.
3.8.3	Sanitize or destroy system media containing CUI before disposal or release for reuse.	Sanitize or destroy system media containing DoD information before disposal or release for reuse.
3.8.4	Mark media with necessary CUI markings and distribution limitations.	Mark media with privacy and security notices consistent with U.S. Government and/or local government regulations.
3.8.5	Control access to media containing CUI and maintain accountability for media during transport outside of controlled areas.	Control access to and maintain accountability for media containing DoD information.
3.8.9	Protect the confidentiality of backup CUI at storage locations.	Provide information backup procedures (frequency, timeframe for storage, etc.) for DoD data located on contractor systems. Protect the confidentiality of backup materials containing DoD information.
3.9.1	Screen individuals prior to authorizing access to organizational systems containing CUI.	Screen individuals prior to authorizing access to organizational systems containing DoD information.
3.9.2	Ensure that CUI and organizational systems containing CUI are protected during and after personnel actions such as terminations and transfers.	Ensure that DoD information and organizational systems containing DoD information are protected during and after personnel actions such as terminations and transfers.
3.10.6	Enforce safeguarding measures for CUI at alternate work sites (e.g., telework sites).	Enforce safeguarding measures for DoD Information at alternate work sites (e.g., telework sites).

3.11.1	Periodically assess the risk to organizational operations (including mission, functions, image, or reputation), organizational assets, and individuals, resulting from the operation of organizational systems and the associated processing, storage, or transmission of CUI.	Periodically assess the risk to organizational operations (including mission, functions, image, or reputation), organizational assets, and individuals, resulting from the operation of organizational systems and the associated processing, storage, or transmission of DoD information.
3.13.8	Implement cryptographic mechanisms to prevent unauthorized disclosure of CUI during transmission unless otherwise protected by alternative physical safeguards.	Implement cryptographic mechanisms to prevent unauthorized disclosure of DoD information during transmission when possible unless otherwise protected by alternate physical safeguards.
3.13.11	Employ FIPS-validated cryptography when used to protect the confidentiality of CUI.	Employ FIPS-validated cryptography when used to protect the confidentiality of DoD information within the organization's systems and when possible when transmitting to external entities.
3.13.16	Protect the confidentiality of CUI at rest.	Protect the confidentiality of DoD information at rest.

15.2 Cybersecurity Incident Reporting

15.2.1 In addition to the DFARS 252.204-7012 reporting requirements for unclassified systems and DoD Manual (DoDM) 5220.22, *National Industrial Security Program Operating Manual (NISPOM)* for classified systems, reportable cyber-incidents include, regardless of whether the IT system contains DTI or there is an impact to the delivery schedule, but are not limited to, the following:

15.2.2 Cyber-incidents as defined in Table 2. Notifications by a federal, state, or local law enforcement agency or cyber-center (i.e., National Cyber Investigative Joint Task Force (NCIJTF), National Cybersecurity & Communications Integration Center (NCCIC)) of being a victim of a successful or unsuccessful cyber-event, anomaly, incident, insider threat, breach, intrusion, or exfiltration.

Table 2

Incident Category	Description
Root Level Intrusion	Unauthorized privileged access to an IS. Privileged access, often referred to as administrative or root access, provides unrestricted access to the IS. This category includes unauthorized access to information or unauthorized access to account credentials that could be used to perform administrative functions (e.g., domain administrator). If the IS is compromised with malicious code that provides remote interactive control, it will be reported in this category.
User Level Intrusion	Unauthorized non-privileged access to an IS. Non-privileged access, often referred to as user level access, provides restricted access to the IS based on the privileges granted to the user. This includes unauthorized access to information or unauthorized access to account credentials that could be used to perform user functions such as accessing Web applications, Web portals, or other similar information resources. If the IS is compromised with malicious code that provides

	remote interactive control, it will be reported in this category.
Denial of Service	Denial of Service (Incident)—Activity that denies, degrades, or disrupts normal functionality of an IS or DoD information network.
Malicious Logic	Installation of software designed and/or deployed by adversaries with malicious intentions for the purpose of gaining access to resources or information without the consent or knowledge of the user. This only includes malicious code that does not provide remote interactive control of the compromised IS. Malicious code that has allowed interactive access should be categorized as Root or User Level Intrusion incidents. Interactive active access may include automated tools that establish an open channel of communications to and/or from an IS.
Ransomware	Malware designed to encrypt files on a device, rendering any files and the systems that rely on them unusable. Malicious actors then demand ransom in exchange for decryption. Ransomware actors often target and threaten to sell or leak exfiltrated data or authentication information if the ransom is not paid. Ransomware is a reportable incident that may be associated with multiple incident categories depending on the attack vector and execution.

If the cyber-incident affects a classified system, vulnerabilities associated with the incident will be classified per the current version of USTRANSCOM Instruction 31-02, Security Classification Guide.

15.3 Cybersecurity Incident Reporting Timelines

In addition to providing the notification required by DFARS 252.204-7012, the contractor is required to notify USTRANSCOM as soon as practical, but no later than 72 hours after discovering a reportable cyber-incident. The reporting timeline begins when the incident is discovered or reported to the company, its employees, contractors, or cybersecurity firm responsible for providing cybersecurity and response for the company. The contractor shall contact the USTRANSCOM Cyber Operations Center (CyOC) via phone at 618-817-4222. If the contractor does not immediately reach the CyOC via phone, the contractor shall send an email notification to transcom.scott.tcj6.mbx.cyoc-dodin-operations@mail.mil.

Mandatory Reporting Data

15.3.1 The contractor shall work with the USTRANSCOM CyOC through resolution of the incident. Within 72 hours of becoming aware of a reportable cyber-incident, the contractor shall provide an initial notification of the incident, even if some details are not yet available, which includes, but is not limited to, the following information:

(a) Company Name
(b) Who will be the POC with contact information
(c) Contracting Officer POC (name, telephone, email)
(d) Overall Assessment –Description of incident, data at risk, mitigations applied
(e) Indicators of compromise
(f) Vector of attack (if known)
(g) Estimated time of attack (if known)

15.3.2 The contractor shall provide a follow-on cyber-incident report to the USTRANSCOM CyOC within 5 days of becoming aware of a reportable cyber-incident, which includes, but is not limited to, the following information:

(a) Contractor unique Commercial and Government Entity (CAGE) code
(b) Contract numbers affected
I Facility CAGE code where the incident occurred if different than the prime Contractor location

(d) POC if different than the POC recorded in the System for Award Management (name, address, position, telephone, emaiI(e) Contracting Officer POC (name, telephone, email)
(f) Contract clearance level
(g) DoD programs, platforms, systems, or information involved
(h) Location(s) of compromise
(i) Date incident discovered
(j) Type of compromise (e.g., unauthorized access, inadvertent release, other)
(k) Description of technical information compromised
(l) Any additional information relevant to the information compromise

15.4 Incident Reporting Coordination

15.4.1 In the event of a cyber-incident, USTRANSCOM may conduct an on-site review of network or information systems where DoD information is resident on or transiting to assist the contractor in evaluating the extent of the incident and to share information in an effort to minimize the impact to both parties. Date and time of on-site visits will be mutually agreed upon by USTRANSCOM and the contractor in advance.

The contractor agrees to allow follow-on actions by the Government (e.g., USTRANSCOM, Federal Bureau of Investigation, Department of Homeland Security, DC3, etc.) to further characterize and evaluate the suspect activity. The contractor acknowledges that damage assessments might be necessary to ascertain an incident methodology and identify systems compromised as a result of the incident. Once an incident is identified, the contractor agrees to take all reasonable and appropriate steps to preserve any and all evidence, information, data, logs, electronic files and similar type information (reference NIST Special Publication 800-61, Computer Security Incident Handling Guide, (current version)) related to the incident for subsequent forensic analysis so that an accurate and complete damage assessment can be accomplished by the Government.

15.4.2 The contractor is not required to maintain an organic forensic capability, but must ensure data is preserved (e.g., remove an affected system, while still powered on, from the network) and all actions documented until forensic analysis can be performed by the Government or, if the Government is unable to conduct the forensic analysis, a mutually agreed upon third party (e.g., Federally Funded Research and Development Center (FFRDC), commercial security contractor, etc.). Any follow-on actions shall be coordinated with the contractor via the Contracting Officer.

15.4.3 The contractor agrees to indemnify and hold the government harmless for following any recommendations to remedy or mitigate the cyber-incident following the actions under 16.4.1 and 16.4.2.
15.4.4 Contractors are encouraged to work with government entities in voluntary programs that help prevent incidents and can support investigation and risk management during an incident."

15.4.5 Confidentiality and Non-Attribution Statement

The Government may use and disclose reported information as authorized by law and will only provide attribution information on a need-to-know basis to authorized persons for cybersecurity and related purposes (e.g., in support of forensic analysis, incident response, compromise or damage assessments, law enforcement, counterintelligence, threat reporting, and trend analysis). The Government may share threat information with other USTRANSCOM industry partners without attributing or identifying the affected contractor.

SECTION 16 GOVERNING LAW

This contract shall be governed by the laws of the United States. Nothing in this contract shall be interpreted to limit the government's authority to requisition or purchase vessels pursuant to 46 U.S.C. § 56301. Withdrawal of the Contractor from VISA, expiration of this contract without a replacement contract, or similar situations may result in reinstatement of a Contractor obligation, if any, under Section 909 of the Merchant Marine Act of 1936, as amended.

SECTION 17 ACTIVATION AGREEMENT

Prior to or upon activation of VISA, any relevant performance requirement and/or contract term, condition or provision not identified and/or out-of-date within this VISA Contingency Contract will be bi-laterally agreed upon utilizing existing peacetime charter contract terms, conditions, provisions and performance requirements as a basis for contract/task order inclusion.

SF1449 Attachments

LIST OF EXHIBITS AND ATTACHMENTS

Exhibit 1 – Bunker Adjustment Factor (BAF)
Attachment 1 – VISA Capacity Commitment
Attachment 2 – VISA Carrier Vessel Information Sheet with Pricing Boxes
Attachment 3 – VISA Definitions
Attachment 4 – VISA DD Form 254
Attachment 5 – NIST.SP.800-171 – POAM
Attachment 6 – Federal Register Notice 2014
Attachment 7 – Federal Register Notice 2018
Attachment 8 – Federal Register Notice 2019