



## DEPARTMENT OF TRANSPORTATION

### Maritime Administration

[Docket Number MARAD-2020-0175]

#### Request for Applications to Be Considered for Enrollment in the Cable Security Fleet

**AGENCY:** Maritime Administration, Department of Transportation.

**ACTION:** Notice of application period for the cable security fleet program.

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**SUMMARY:** The Maritime Administration (MARAD) requests applications from owners and/or operators of eligible vessels to enroll such vessels in the Cable Security Fleet (CSF). The CSF Program is a newly-authorized program intended to maintain a fleet of active, commercially viable, privately owned United States-flag cable vessels to meet national security requirements and to maintain a United States presence in the international submarine cable services market. The CSF will consist of two vessels. This Notice describes, among other things, statutory requirements to apply and to participate in the CSF, recommendations as to the form and substance of applications, and a deadline for submitting applications for vessel enrollment in the CSF program. The Maritime Administration will negotiate agreements ready for execution with the successful applicants.

**DATES:** Applications to enroll vessels into the CSF should be made by [*insert date 30 days from publication*]. Applications should be submitted to the address listed in the **ADDRESSES** section below.

**ADDRESSES:** Applications should be addressed to the Director, Office of Sealift Support, Maritime Administration, U.S. Department of Transportation, 1200 New Jersey Avenue SE., Room W25-310, Washington, D.C. 20590.

**FOR FURTHER INFORMATION CONTACT:** Rhonda Davis, Office of Sealift Support, Maritime Administration, U.S. Department of Transportation, Telephone (202) 366-6379, or [Rhonda.davis@dot.gov](mailto:Rhonda.davis@dot.gov). For legal questions, contact Joseph Click, Attorney Advisor, Maritime

Administration, U.S. Department of Transportation, Telephone (202) 366-5882, or

Joseph.Click@dot.gov.

## **SUPPLEMENTARY INFORMATION:**

### **I. Program Overview**

46 U.S.C. 53202(a)(1) directs the Secretary of Transportation (Secretary), in consultation with the Secretary of Defense (SecDef), to establish a fleet of active, commercially-viable cable vessels to meet national security requirements. The Cable Security Fleet, which will be known as the CSF, will consist of privately owned, United States-documented cable vessels, whose owners or operators will enter into Operating Agreements with MARAD to set forth operating qualifications and criteria in exchange for payments. Program participants will enter into Operating Agreements that will require participants to: continuously and actively operate the subject vessels in the commercial submarine cable services market (including the laying, maintenance, and repair of submarine cables) and provide the United States Government access to participating vessels in times of national emergency. In administering the CSF Program, MARAD will work with a designated agency of the Department of Defense (DoD) to evaluate vessels and operators and to confirm that operating agreements meet the objectives of supporting economic activity and national security. Establishment of the CSF is set forth in the United States Code, Title 46, Chapter 532, referred to as “the statute” below.

#### **A. Citizenship Requirements for Owners and Operators**

An applicant seeking to enroll its vessels in CSF must meet certain qualifications for vessel control and citizenship. First, an applicant must be a vessel’s registered owner or operate the vessel as its principal demise charterer, such that it operates the vessel at its own risk and expense. MARAD will not consider applications from sub-demise charterers, time charterers, vessel managers, or other vessel stakeholders. Additionally, candidate vessel ownership or operation must meet the requirements of one of four citizenship categories:

1. Vessel owned and operated by United States citizens, known as 50501 Citizens, within the meaning of Section 50501 of Title 46, United States Code;
2. Vessel owned by a U.S. citizen, known as a 50501 Citizen, under 46 U.S.C. 50501 or United States Citizen Trust under 46 U.S.C. 53201(11) and chartered to a United States citizen eligible to document vessels, known as a Documentation Citizen, under Chapter 121 of Title 46, United States Code, subject to:
  - a. Verifications of the U.S.-citizenship of the board and principal officers of the charterer; and
  - b. Certifications by the charterer that no treaty, statute, or person would influence the vessel's operations in a manner contrary to the interests of the United States;
3. Vessel owned and operated by an entity that contracts with the Department of Defense to operate vessels for, or charters vessels to, the United States; or
4. Vessel owned by a Documentation Citizen and chartered to a 50501 Citizen.

**B. Vessel Technical Considerations**

Vessels proposed for enrollment in the CSF must meet certain minimum technical and legal requirements as of the time of application. In addition to the citizenship requirements for each vessel's owner and operator, each vessel must be:

1. 40 years of age or less on the date on which the vessel is enrolled in CSF (unless waived by the Secretary under 46 U.S.C. 53202(e));
2. Found suitable by DoD for cable servicing work in the interest of national security;
3. Found commercially viable by MARAD for submarine cable services.
4. Classed as a cable vessel by the American Bureau of Shipping or another classification society accepted by the United States Coast Guard (USCG); and
5. Documented by USCG under Chapter 121 of Title 46, United States Code, or have its owners demonstrate their intent to document the vessel under Chapter 121 of Title 46.

**C. Terms of the CSF Operating Agreements**

If MARAD deems an applicant and its proposed vessel to be most qualified for the CSF, then MARAD will negotiate and enter into an Operating Agreement with the applicant for one year, subject to the availability of appropriations with payment for participation at the annual rate of \$5 million after the availability of funding and execution of agreements as provided by statute and appropriation.

## **II. Application for Entry into the Cable Ship Fleet**

### **A. Application Elements**

Qualified cable vessel owners and/or operators seeking to apply for a CSF Operating Agreement may submit applications (one (1) original with two (2) copies) with the following information and materials for ease of review; however, conformity with this applicant guidance, except where explicit in the statute, is voluntary only. MARAD will review and consider all applications it receives and may contact applicants for additional information:

1. Full name of Applicant and address of principal executive office;
2. Notarized affidavit of citizenship status, whether as a 50501 Citizen or Documentation Citizen;
3. Certificate of incorporation;
4. Copy of corporate by-laws or other governing instruments;
5. Description of domestic and international corporate affiliations;
6. Financial data;
7. Vessel's base port where it may be inspected by MARAD or a designated marine surveyor, and a description of the vessel's regular area of operation;
8. Locations and descriptions of any marine depots worldwide where the vessel has access to servicing, spare cables, amplifiers, and other equipment necessary for undersea cable repair;
9. Description of applicant's vessel's regular operations, which may include a listing of submarine cables laid or repaired within the preceding three (3) years, detailing the name

of the cable systems laid and repaired, approximate location of repair work, and approximate depths of cable repaired, marine depots used for replenishment of spares, and a listing of marine crew and mission specialist positions (splicers, cable test technicians, cable transmission technicians, and cable engineers), including years of experience.

10. Demise or bareboat charter arrangements, if applicable;

11. Applicant's stated assessment of the vessel's national security value to DoD with respect to cable services;

12. Copies of any Special Security Agreements into which the Applicant has entered with DoD, per 46 U.S.C. 53202(c)(3)(A)(iii).

#### **B. Protection of Confidential Commercial or Financial Information**

If an application includes information that the applicant considers to be a trade secret or confidential commercial or financial information, the applicant should do the following: (1) Note on the front cover that the submission "Contains Confidential Commercial or Financial Information (CCFI)"; (2) mark each affected page "CCFI"; and (3) highlight or otherwise denote the CCFI portions. MARAD will protect such information from disclosure to the extent allowed under applicable law. In the event MARAD receives a Freedom of Information Act (FOIA) request for the information, procedures described in the Department's FOIA regulation at 49 CFR 7.29 will be followed. Only information that is ultimately determined to be confidential under that procedure will be exempt from disclosure under FOIA.

(Authority: National Defense Authorization Act for Fiscal Year 2020, Pub. L. 116-92, section 3521; 49 CFR 1.93(a))

Dated: December 30, 2020.

By Order of the Maritime Administrator.

**Gabriel Chavez,**

*Secretary, Maritime Administration.*

