DEPARTMENT OF THE NAVY

NAVAL SEA SYSTEMS COMMAND
WASHINGTON, D.C. 20362-5101

IN REPLY REFER TO
NAVSEAINST 4740.8A
OPR 00C2
10 Mar 93

NAVSEA INSTRUCTION 4740.8A

From: Commander, Naval Sea Systems Command

Subj: SALVAGE, RECOVERY AND OPEN SEA SPILL RESPONSE PROGRAMS

Ref: (a) OPNAVINST 4740.2E
(b) OPNAVINST 5090.1A
(c) NAVSEAINST 4740.5A

1. Purpose. To reissue procedures for the technical, operational and managerial responsibilities for the salvage, recovery and open sea spill response programs. This is a major change to the basic instruction.

2. Cancellation. NAVSEAINST 4740.8 of 24 July 1987.

3. Scope. Applies to salvage, emergency towing, search and recovery, open sea oil and hazardous substance spill response, and ocean engineering matters assigned to the Commander, Naval Sea Systems Command (NAVSEA).

4. Background. Reference (a) describes the legislative basis for the Navy's salvage and recovery program, outlines the governing policies, defines the types of salvage operations, and assigns the Commander, NAVSEA specific technical, operational and management responsibilities. Reference (b) establishes policies and assigns the Commander, NAVSEA specific technical, operational and management responsibilities in the Navy's Environmental and Natural Resources Protection Program. Reference (c) provides information and guidance to the personnel on naval vessels and at all other activities under the cognizance of the Department of the Navy involved in cases of intergovernmental salvage services.

5. Extraordinary Circumstances. In extraordinary circumstances not covered by this or other instructions, the Supervisor of Salvage (NAVSEA Code 00C) is to be contacted directly for guidance.

6. Restrictions. This instruction provides operational and management information and implies no conclusion regarding the scope of the law of salvage or legal rights and obligations arising thereunder. It does not apply to the property of a foreign government unless a request for assistance is received from a representative of that government. In the event of a salvage operation combined with a nuclear reactor, radiological accident, or nuclear ordnance accident, OPNAVINST 3040.5B,

S-012

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0693-LD-056-4150

"Nuclear Reactor and Radiological Accidents; Procedures and Reporting Requirements for" or OPNAVINST 3440.15 series "Minimum Criteria and Standards for Navy and Marine Corps Nuclear Weapons Accident and Incident Response", as appropriate, take precedence over this instruction.

7. Reports. The requirements contained in Section 1, paragraph 3d are exempt from reports control by SECNAVINST 5214.2B and requires no report symbol.

KENNETH C. MALLEY

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# SECTION 1

## POLICY, RESPONSIBILITIES, AND PROCEDURES

1. Policy

a. The salvage and emergency towing of ships, the recovery of aircraft and other objects lost in the sea, and the abatement of the effects of open sea spills of oil and hazardous substances, offer the opportunities to save property and valuable resources, and to analyze failures and thereby provide a basis for technological improvement to prevent future losses. The Commander, Naval Sea Systems Command (NAVSEA) accomplishes his assigned responsibilities and supports the Department of the Navy, DOD and national policy in the salvage, recovery, and open sea oil and hazardous substance spill response programs using the resources available throughout the Command Headquarters and Shore Activities.

b. Consistent with 00C legislated authority to contract for salvage services, COMNAVSEA encourages American industry to maintain a sufficient capacity and a high level of technical skill in salvage and recovery to supplement Navy capabilities in peacetime and provide a basis for expansion in emergencies.

c. In executing 00C delegated responsibility as the Navy's technical agent for salvage, COMNAVSEA maintains a cadre of Engineering Duty Officers trained in salvage and related technology, and maintains the proficiency of these officers by participation in salvage, search and recovery, open sea spill response, and ocean engineering operations.

2. Responsibilities

a. The Supervisor of Salvage (NAVSEA Code 00C) is the executive agent for NAVSEA and the Secretary of the Navy in all matters of salvage, emergency towing, search and recovery, open sea oil and hazardous substance spill response and ocean engineering, and is specifically responsible to:

(1) Provide technical direction and guidance for the Salvage, Recovery, and Open Sea Spill Response Programs.

(2) Serve as the Navy technical agent for all matters pertaining to the employment of salvage, towing, search and recovery, open sea oil and hazardous substance spill response systems and equipment.

(3) Act as the representative of COMNAVSEA, with authority to commit the resources of the Naval Sea Systems Command, on any Technical Advisory Group (TAG) formed to deal with salvage, search or recovery matters.

(4) Act as the Navy representative for salvage, search and recovery, and open sea spill response technical matters with the Department of Defense and other Federal agencies.

(a) Provide the Chief of Naval Operations (CNO) with information which has an impact on Navy programs.

(b) Consult with the CNO on all matters which vary from established Navy policy.

(5) Coordinate the efforts of all COMNAVSEA organizations in support of salvage, towing, search and recovery, open sea spill response and ocean engineering operations.

(6) Assume responsibility for the conduct of salvage, search and recovery, and ocean engineering operations upon agreement with the cognizant Fleet Commander or when directed by the CNO.

(7) Coordinate the salvage, and/or salvage-related towing, search and recovery, and spill response services, and provide information, liaison, and financial advice to the organization requiring the services, whether the operations are undertaken by the Navy or under contract.

(8) Prepare budgets and budget justification for all salvage related matters including:

(a) Salvage operations for which NAVSEA has mission funding responsibilities. These costs are funded by the Operations and Maintenance, Navy (O&MN) appropriation.

(b) Procurement of salvage and spill response equipment for the Emergency Ship Salvage Material (ESSM) System. These costs are funded by either the O&MN or OPN appropriation, depending on Expense/Investment criteria contained in NAVCOMPT Manual paragraph 075001.

(c) Management and maintenance of the ESSM System. These costs are funded by the O&MN appropriation.

(d) Development and introduction of specialized salvage, towing, search and recovery, open sea spill response and ocean engineering equipment. These costs are funded by the Research, Development, Test and Evaluation (RDT&E) appropriation.

(9) Exercise the following financial responsibilities in connection with salvage, towing, search and recovery and oil and hazardous substance spill response operations:

(a) Fund contractor salvage, search and recovery and ocean engineering services under NAVSEA cognizance.

(b) Finance initial out-of-pocket expenses incurred in the opening phases of all cognizant operations undertaken by Navy organizations or by contractors, with agreed upon subsequent reimbursement procedures.

(c) Process and settle affirmative salvage claims for salvage services rendered by the Navy to other Federal agencies, agencies of foreign governments, commercial organizations or privately owned vessels or property.

(d) Establish per diem rates to be charged for ships and equipment employed in salvage and open sea spill response operations.

(e) Act as executive agent in setting policies, determining lease provisions and rental rates, and administering the lease of Navy owned salvage equipment to commercial salvage companies authorized by SECNAVINST 4740.1 (series), "Leasing of Navy Salvage and Oil Pollution Abatement Equipment."

(10) Enter into and administer contracts with private enterprise for salvage, search and recovery, undersea operations, spill response, diving and ocean engineering services.

(11) Manage and administer the ESSM System including:

(a) Select sites for ESSM bases within the United States, and, in conjunction with Fleet Commanders, select overseas sites.

(b) Procure, distribute and maintain emergency ship salvage and open sea oil and hazardous substance spill response material.

(c) Provide to Fleet Commanders and other cognizant authorities, on a case basis, equipment and systems from ESSM bases for salvage, towing, search and recovery, open sea spill response, and ocean engineering operations to augment Fleet salvage equipment.

(d) Perform depot level maintenance on fleet salvage equipment.

(12) Provide assistance and guidance to designated Fleet

Navy On-Scene Coordinators (NOSCs) in the development of Navy oil and hazardous substance spill response contingency plans.

(13) Provide technical requirements and assistance to internal NAVSEA codes engaged in:

(a) Research and development, specification, procurement and introduction of salvage, towing, search and recovery, and ocean engineering equipment or systems for ships and submarines.

(b) Development and maintenance of cognizant Allowance Equipage Lists (AEL).

(14) Maintain familiarity with the commercial salvage, towing, search and recovery, oil and hazardous substance spill response, and ocean engineering industries throughout the world and with their capabilities and technical developments. Evaluate the capability of American industry to meet and augment open sea spill response above Navy requirements.

(15) Develop and maintain contingency plans for expanding the Navy's salvage, search and recovery, open sea spill response and ocean engineering capabilities in an emergency. In carrying out this responsibility, the Supervisor of Salvage will:

(a) Coordinate requirements and plans with the CNO the Fleet Commanders, the Chief of Naval Reserves, the Maritime Administration (MARAD), the Planning Board on Ocean Shipping (PBOS), and other appropriate organizations.

(b) Develop and maintain plans to use appropriate segments of industry to augment Navy capabilities, and encourage the maintenance of a viable commercial salvage industry.

(c) Develop and maintain plans for the employment of salvage trained Engineering Duty Officers.

(16) Maintain the U.S. Navy Salvage Manual, the U.S. Navy Towing Manual, and other technical publications necessary to the salvage, search and recovery and spill response programs. Ensure these publications reflect state-of-the-art methods and procedures.

(17) Coordinate with the Chief of Naval Technical Training to:

(a) Validate the technical content of salvage training curricula.

(b) Ensure that adequate numbers of Engineering Duty Officers are trained in salvage and related technology.

(18) Ensure that those Engineering Duty Officers trained in salvage maintain proficiency by participation in cognizant operations.

(19) Coordinate policy among the Naval Systems Commands pertaining to salvage, towing, search and recovery, spill response and ocean engineering matters.

b. The Deputy Commander for Nuclear Propulsion (NAVSEA 08) will coordinate and direct, as appropriate, nuclear and radiological matters regarding the salvage of nuclear powered ships, tenders with nuclear support facilities, and special purpose components associated with naval nuclear propulsion plants.

c. The Deputy Commander for Ship Design and Engineering (NAVSEA 05) will coordinate with the Supervisor of Salvage concerning research and development, procurement, and life cycle management of salvage, towing, search and recovery, oil and hazardous substance spill response and ocean engineering equipment.

d. Ship Acquisition and In-Service Program Managers will coordinate with the Supervisor of Salvage on all matters pertaining to development, procurement and life cycle management of shipboard salvage, towing and ocean engineering equipment systems.

e. NAVSEA Shore Activities, consistent with the accomplishment of their primary mission, will:

(1) Provide available support requested by the Supervisor of Salvage in conjunction with salvage, towing, search and recovery, oil and hazardous spill response and ocean engineering operations.

(2) Make salvage-trained Engineering Duty Officers available for participation in salvage, search and recovery, spill response, and ocean engineering operations upon request.

3. Procedures

a. Salvage Operations. When NAVSEA is assigned responsibility for salvage, search and recovery, oil and hazardous substance spill response, or ocean engineering operations, the Supervisor of Salvage carries out the operation through either an activity of the Department of the Navy, a contractor, or a combination thereof. When a contractor is used for any facet of an operation, the Supervisor of Salvage will assign an on-scene representative for overall technical direction.

b. Terms and Conditions of Salvage Services. The Navy provides salvage services to ships and aircraft under terms and conditions which depend upon the ownership and status of the ship or aircraft requiring the service. Terms and conditions for salvage services to United States naval ships and aircraft, ships of the Military Sealift Command (MSC), other public vessels and Aircraft of the United States, and private ships and aircraft are outlined in Section 2. Procedures for requesting such salvage services are outlined in reference (a). For both open sea and incident-to-ship-salvage spills, Fleet Commanders may request response services directly from the Supervisor of Salvage. In addition to the terms and conditions of Section 2, the salvage of foreign public ships and aircraft may be affected by inter-governmental agreements and the salvage of foreign flag privately owned vessels by political considerations. Reference (c) applies in both cases. In providing salvage services to any customer, the Navy reserves the right to determine if services are to be provided by naval forces, contractors or a combination of the two.

c. Salvage Funding

(1) NAVSEA funds surface ship salvage operations and obtains reimbursement in accordance with the terms and conditions outlined in Section 2. Charges for salvage services and the definition of cost categories are discussed in Section 3.

(2) NAVSEA funds submarine salvage on a reimbursable basis and is responsible for obtaining funding on a case basis.

(3) The Commander, Naval Air Systems Command funds search and salvage operations for USN and USMC aircraft through NAVSEA. The Chief of Naval Operations (N88) specifically authorizes use of aircraft salvage funds on a case basis.

(4) NAVSEA provides O&MN funds to Fleet Commanders for direct support of surface ship and aircraft salvage matters including start-up funding for salvage, oil spill response or search and recovery operations, reimbursement of out-of-pocket costs (less fuel and water) and other purposes as authorized by the Supervisor of Salvage. Custodians of these funds will make a monthly message report to the Supervisor of Salvage which will include for each funding category:

(a) Funds granted

(b) Original estimate by project

(c) Current estimate by project

(d) Current obligation by project

(e) Total obligation

(f) Balance available

Project identified should include operations, travel for salvage officer (funded under surface ship salvage), and prepositioned funds at shore activities. Requests for augmentation of funds with appropriate justification should be made in separate correspondence.

d. Salvage Reports. Salvage reports fall into four categories:

(1) Operational Reports are prepared during the operation to advise all concerned of the progress of the operation and its status. These reports are made in compliance with current directives. COMNAVSEA will be an information addressee on all operational reports concerned with salvage.

(2) Post Salvage Operation Reports are detailed, factual letter reports submitted to NAVSEA via the chain of command following each salvage operation. These reports are used as the basis for preparing billing for the salvage operation and may be offered as evidence in court in litigation concerning the salvage. They also provide the basis for reimbursement to the salving command(s), assist in documenting budgetary requirements for salvage and provide an input to salvage training. Post Salvage Operation Reports are reports of what occurred during the salvage operation and of material expenditures; they do not include critiques or recommendations concerning salvage equipment or procedures. A copy of the report with all endorsements is provided to the Chief of Naval Operations (N866) and an advance copy is sent directly to the Supervisor of Salvage (Code 00C), Naval Sea Systems Command, Washington, DC 20362-5101. Section 4 provides details of the report format and the information to be provided.

(3) Salvage Technical Reports are optional letter reports submitted to NAVSEA via the chain of command following each salvage operation. The purpose of these reports is to provide information, critiques, opinions and recommendations on the performance of salvage equipment and the adequacy and suitability of salvage procedures. These reports assist the Supervisor of Salvage in determining what changes should be made in salvage equipment and procedures and what developments should be made. Like Post Salvage Operation Reports, Salvage Technical Reports provide an input of up-to-date experiences to salvage training and information for other salvors. A copy of the report and all endorsements is provided to the Chief of Naval Operations (OP-36), and the Commanding Officer, Naval Diving and Salvage Training Center. As a wide variety of items may be discussed in this report, there is no prescribed format. Section 5 provides

some suggestions for constructing the report. While the report is optional, the Supervisor of Salvage may require the submission of a Salvage Technical Report when there are items of sufficient technical interest.

(4) Reports of Damage to Salved or Salving Ships. Whenever damage is incurred by a ship during a salvage operation, the circumstances and the nature and extent of the damage must be fully documented so that it may be properly taken into account during settlement of the salvage account. Whenever a salving ship or a ship being salved sustains damage without the fault of a third party, the following action should be taken:

(a) The damage should be examined promptly, described in writing, and photographed or sketched.

(b) The damage and the circumstances surrounding the incident should be described in the operational report.

(c) Arrangements should be made at the earliest opportunity for a joint survey of the damage by representatives of the damaged ship and the ship causing the damage.

(d) The following items should become a part of the Post Salvage Operations Reports:

(i) Photographs and sketches
(ii) Shipyard Inspection Reports
(iii) Surveyors' Field Notes

(e) Damage should be reported to the Judge Advocate General (Admiralty Division) in compliance with the requirements of JAGINST 5800.7B, Chapter XII, "Admiralty Claims."

e. Oil and Hazardous Substance Spill Response. The Supervisor of Salvage (NAVSEA Code 00C) maintains special equipment and trained personnel for response to Navy open ocean or salvage related oil and hazardous substance spills. These assets are provided on a reimbursable basis to assist designated NOSCs upon request. The NOSCs may contact NAVSEA Code 00C directly for spill response assistance. Other Federal agencies or other authorities should request NAVSEA Code 00C spill response assistance through the Chief of Naval Operations (N312), DSN 225-1150 or (703) 695-1150. Specific spill response information is found in the "Supervisor of Salvage Spill Contingency Planning Guide".

f. Emergency Ship Salvage Material (ESSM) System. The nature of salvage and clearance operations is such that it has been found practical to assemble specialized equipment and systems in Emergency Ship Salvage Material Bases located in the

United States and overseas. These materials are under the custody and inventory control of the Supervisor of Salvage and are readily available for emergency use in operations throughout the world. Detailed instructions for use of the ESSM System are found in the "Emergency Ship Salvage Material Catalog" (NAVSEA 0994-LP-017-3010). Fleet Commanders will provide procedures for managing of depot level repairs to fleet-owned equipment.

g. Contract Services. The Supervisor of Salvage maintains contracts with firms in the United States and abroad to provide worldwide salvage, towing, search and recovery, undersea operations, spill response, diving and ocean engineering services for naval vessels and other vessels or activities of interest to the United States Government. These contracts augment Fleet resources; they are not intended to preclude or inhibit the use of Fleet resources in salvage operations. The contracts are renewed periodically and are operative in specific geographic areas. The Supervisor of Salvage should be contacted directly for current contract details.

# SECTION 2

## TERMS AND CONDITIONS FOR SALVAGE SERVICES

1. Naval Ships and Aircraft. Salvage operations are undertaken on Navy ships and aircraft under the following terms and conditions:

a. The Supervisor of Salvage funds out-of-pocket expenses incurred in surface ship salvage (including oil or hazardous substance spill response if incident to such surface ship salvage) and CNO authorized aircraft recovery operations, except those operating expenses paid by the Fleet Commander. Section 3 further defines out-of-pocket expenses.

b. The Supervisor of Salvage funds the opening phases of salvage, search and open sea spill response operations undertaken by naval forces or contractors.

c. The Supervisor of Salvage will recover out-of-pocket and contractor costs for authorized recovery of Navy and Marine Corps aircraft, their cargo, and ordnance from the Naval Air Systems Command.

d. In the case of objects other than naval aircraft being salved or recovered, the Supervisor of Salvage will recover costs from that organization requiring the service. Exceptions may be made by the CNO. Normally no reimbursement will be sought from the Fleet Commanders for surface ship salvage or CNO authorized aircraft recovery operations. However, fleet open sea spill response operations are fully reimbursable.

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

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

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

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

3. U.S. Public Vessels and Aircraft. Salvage of public vessels and aircraft of the United States, and commercial aircraft undertaken at the request of the National Transportation Safety Board, are performed by the Navy under the following terms and conditions:

a. Charges for salvage services by naval forces are limited to out-of-pocket expenses including fuel and water.

b. Contractor services are provided at full contract rates.

c. Charges for salvage, search and recovery, or oil and hazardous substance spill response work undertaken on behalf of the Army Corps of Engineers or the U.S. Coast Guard, are billed on an out-of-pocket basis if the work is entirely a Government function. If litigation against a private party to recover costs is expected, full per diem rates apply. Returned funding will be credited to the appropriate NAVSEA salvage or pollution account.

4. Foreign Public Vessels and Aircraft. Salvage of foreign vessels and aircraft may be subject to treaties and agreements which affect the charges made for salvage services. These agreements are not uniform, thus an individual determination must be made for each case. Reference (c) provides information on intergovernmental salvage services.

5. Privately Owned Vessels and Aircraft. Private vessels and/or aircraft may be salved by naval forces under the following terms and conditions:

a. The following criteria are met:

(1) There is no adequate commercial salvage assistance reasonably available; and

(2) There is a definite and unequivocal request from the master, owner or agent of the distressed ship or property for Navy salvage services.

b. If there is imminent danger of the loss of life or property, immediate assistance may be given to any ship. Naval forces providing assistance will remove themselves from the operation in favor of commercial salvors when adequate commercial forces arrive.

c. Requests for the salvage of foreign ships and aircraft are governed by reference (c).

d. Salvage services to private ships, cargoes and aircraft are furnished either as pure or contract salvage or on a per diem basis at the rates and fees set forth in Section 3 to this instruction or as otherwise established by the Supervisor of Salvage. In the latter case charges are payable regardless of the success of the operation.

e. If payment of a per diem invoice is not made promptly, the Navy reserves the right to pursue the claim as pure or contract salvage under general maritime law.

f. Security to guarantee payment may be obtained when the Navy salves a privately owned ship, particularly if the Navy's salvage services were extensive or if Navy equipment was lost or heavily damaged.

g. When a salved vessel is delivered to her owner, a Certificate of Delivery signed by the Master or another responsible agent of the owner should be obtained. Appendix A is a suitable form for a Certificate of Delivery.

6. Government Cargo. Privately owned vessels often carry government cargo. Past casualties have resulted in the loss of substantial amounts of cargo at great cost to the Government. To encourage owners to request Navy salvage assistance or to reduce costs to the Government, modified procedures are used where there is Government cargo aboard a distressed vessel.

a. Billing Modification. When Navy salvage assistance is requested with reasonable promptness for a privately owned vessel carrying a substantial amount of Government cargo, per diem charges will be waived in any of the following circumstances:

(1) The vessel is freed before the arrival of Navy assistance.

(2) The vessel becomes a total loss before the arrival of Navy assistance.

(3) Navy assistance arrives but is prevented by weather or other circumstances from rendering effective aid, and the vessel becomes a total loss.

b. General Average. The principle of general average wherein ship owners and cargo owners share the risks of a voyage, including the cost of salvage, is established in maritime law. In cases where Government cargo is carried in a privately owned ship salved by the Navy, the Government does not normally participate in the general average process. The Navy directly

bills both the Government agencies whose cargo is carried and the shipowner for their share of the salvage costs. The amounts billed are proportionate to the value of the Government owned cargo and the hull and remaining cargo. The procedure for potential participation in the general average process for commercial vessels transporting MSC cargo is outlined in COMSCINST 5890.6 (series), "Settlement of Salvage Claims with Supervisor of Salvage, U.S. Navy."

# APPENDIX A

## SAMPLE CERTIFICATE OF DELIVERY

Date _____
Time _____

Commander U.S. Naval Task Unit XX.X.X
(Port of---------)

This is to certify that the _____ (Name and type of salvaged vessel) _____ has been refloated from (("Her stranded position" or other descriptive statement) at (Name of geographic location or latitude and longitude) and delivered to her Master (or owner) at (Name of the port and location in the port where the change in responsibility takes place) by the (Name of ship or U.S. Navy organization that has the responsibility for the salvaged Property) . Receipt of the vessel and her cargo is hereby acknowledged on behalf of the their respective owners and underwriters.

For the owner:

_____

_____
(Title)

_____
(Witness)

23 24D



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# SECTION 3

## NAVY AFFIRMATIVE SALVAGE CLAIMS

1. Settlement of Navy Affirmative Salvage Claims

a. Authority. Under 10 U.S.C. 7365, the Secretary of the Navy, or his designee, may consider, ascertain, adjust, determine, compromise, or settle and receive payment of any claim by the United States for salvage services rendered by the Department of the Navy.

b. Delegation of Authority. Each of the following has been designated by the Secretary of the Navy to exercise the authority contained in 10 U.S.C. 7365:

(1) The Commander, Naval Sea Systems Command, Department of the Navy.

(2) The Supervisor of Salvage, Naval Sea Systems Command, Department of the Navy.

(3) The Assistant Supervisor of Salvage, Naval Sea Systems Command, Department of the Navy.

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

The Navy may claim a traditional salvage award for salvage services to private interests pursuant to its well-settled rights under general maritime law. When the Navy charges for salvage services to private interests on a per diem basis, the charges are independent of the values involved and of the success of the operation. In these cases the user will be billed in an amount irrespective of whether the vessel or other property is salved or lost, and irrespective of the ultimate success or failure of the salvage operation.

3. Per Diem Rates for Salvage Services

a. Ships, Tugs and Floating Craft. Effective 1 June 1992 and subject to the rules set forth herein, the following rates per 24-hour day or fraction thereof are established for salvage services provided by the Navy.

| | |
|---|---|
| (1) Salvage Ship (ATS) | $33,800 |
| (2) Salvage Ship (ARS) | $48,700 |
| (3) Fleet Tug (T-ATF 166 class) | |
| with salvage crew | $17,100 |
| without salvage crew | $14,600 |
| (4) Large Tug (YTB) | $ 6,800 |
| (5) Medium Tug (YTM) | $ 5,400 |
| (6) Floating Crane (200 ton) (YD) | $10,100 |
| (7) Diving Tender (YDT) | $ 4,100 |

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

b. Salvage and Spill Response Equipment. When portable salvage, oil and hazardous substance spill response or special equipment is used, a per diem charge is made for that equipment based upon guidelines found in the "U.S. Navy Oil Spill Response Equipment Rental Rates Guide," available on request from NAVSEA Code 00C. The per diem rates are also published in the "Federal Register" Section 14106. For equipment or services not listed in either publication, the charge will be established on a case basis. Lost or damaged equipment is billed at replacement or repair cost respectively.

c. Billing on a per diem basis for salvage operations involving privately owned vessels is solely a matter within the discretion of the Department of the Navy. The Navy does not waive nor surrender the right to bring a salvage claim under the general maritime law. Per diem billing is made on the express condition that the bills be paid promptly and in full. Until receipt of payment, all salvage rights are reserved, including the right to withdraw the per diem billing without notice and bring a claim on a pure or contract salvage basis.

d. Because of the wide variety of equipment and skills used in salvage, search and recovery and oil and hazardous substance spill response efforts, it is impractical to detail the charges for each type of equipment or skill that may be required. The Supervisor of Salvage is guided by, but is not required to adhere

to, the Navy Comptroller Manual (NAVSO P-1000) when determining charges for equipment for which there are no published rates. This manual also provides a basis for computing statistical charges for services to public vessels and aircraft.

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

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

b. Water (if any) procured.

c. Equipment lost or destroyed, damaged or expended in the course of the operation.

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

e. Navy Industrial Fund charges.

f. Travel and per diem costs.

g. Civil Service employee salaries and overtime.

h. Transportation of Things (TOT).

i. Rental of commercial equipment.

j. Other specific procurements and direct charges.

Out-of-pocket costs may be documented by logs showing equipment usage and personnel employment, copies of rate sheets, leases, agreements, travel costs, survey sheets, invoices, etc. Lube oil, water and consumables expended in the ordinary course of operation of the salvage vessel are included in the per diem charges.

5. Services for Government Vessels and Activities. Salvage operations are conducted for naval activities and other Federal activities on a cost reimbursable basis. There are some exceptions to this general rule noted in this instruction. When salvage is conducted on foreign public vessels and aircraft, the charges are determined on a case basis as they may be affected by intergovernmental agreements. Per diem charges are not normally made for services rendered by Navy salvage ships to another Government agency. In such cases, the bill is usually limited to out-of-pocket costs, detailed in paragraph 3, Section 3.

6. Contractor Charges. Contractor charges and fees for a salvage operation will be passed directly to the customer. The contracts are administered by the Supervisor of Salvage (NAVSEA Code 00C).

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

# SECTION 4

## THE POST SALVAGE OPERATIONS REPORT

1. General. The Post Salvage Operations Report is a letter report submitted by the Operational Commander of the salvage operation to the Commander, Naval Sea Systems Command (Code 00C) via the chain of command following each salvage operation. Copies of the report are sent to the Chief of Naval Operations (N866). Additionally, an advance copy of the report will be submitted to Commander, Naval Sea Systems Command (Code 00C) as soon as practicable after the salvage operation via naval message, facsimile or express mail in the format detailed in paragraph 2q. Because the report may be used outside the Navy and for training within the Navy, it is particularly important that the report be complete, accurate and explicit in detail. The purposes of the report are to:

a. Allow the preparation of billing for charges for the salvage operation.

b. Provide documentation of the effort to be used in litigation concerning the salvage.

c. Document the operation and its costs for budgetary support.

d. Document the operation for historical and training purposes.

2. Format and Content. The report format is a simple forwarding letter with appropriate enclosures to provide information as follows:

a. The source and substance of the request for naval assistance, including a copy of any written request.

b. Information on the distressed vessel:

(1) Name.
(2) Official Number.
(3) Flag of Registry.
(4) Port of Registry.
(5) Principal Dimensions.
(6) Photographs.
(7) Gross tonnage.
(8) Trade, or service, in which vessel was engaged.
(9) Yard and Year Vessel Constructed.

c. The name and address of the assisted vessel's owner, operator and managing agent.

d. A detailed chronological narrative of the salvage operation including:

(1) A description of what was done

(2) A description of the ship's condition when assistance was first given

(3) The extent of the casualty's disability

(4) A description of dangers to which the vessel would have been exposed if salvage services had not been rendered

(5) Pertinent:

(a) Photographs
(b) Charts
(c) Sketches
(d) Weather maps

(6) Any improvement in the vessel's condition as a result of assistance rendered

(7) The exact location of the salvage operation (may be stated by latitude/longitude or by bearing and ranges to fixed objects).

(8) The location of the vessel, aircraft or equipment salved when the reporting unit transferred custody.

e. The names and type or official number of all Navy and contractor operated assisting ships and the names of all other commands providing people or equipment for the operation.

f. Copies of the deck log entries for each assisting ship establishing:

(1) The time and point of departure.

(2) Time and point of return to station or resumption of voyage.

g. A list of all special equipment such as pumps, compressors, welding equipment, beach gear, remotely operated vehicles, side scan sonars, etc., with the period of use. The list should include all equipment used whether carried in the on-board allowance of salvage ships or acquired from another source.

h. The name, rank and social security number of:

(1) Each member of the crew of an assisting vessel who boarded the casualty.

(2) Each member of a shore command who participated in the operation.

i. A statement of the total number of dives made with:

(1) Total dive time.
(2) Maximum depth.
(3) A summary of the work performed.

j. A list of quantities and costs of water procured by the assisting vessels from receipt of orders to proceed or divert until delivery of the salvaged vessel, return to station or resumption of voyage.

k. For purposes of reimbursement of out-of-pocket costs, a list of all material and consumables, except fuel and water, expended, lost or destroyed during the operation will be submitted including, for each item:

(1) Name.
(2) Federal Stock Number (FSN).
(3) Unit of Issue.
(4) Unit Price.
(5) Quantity.
(6) Total cost.
(7) Survey forms for material surveyed in accordance with current guidance.

l. A list of all cargo removed during the salvage operation with:

(1) Shipping data, including marks or container number.
(2) Photographs.
(3) Explanations as to whether cargo was removed:
  (a) To save cargo, or
  (b) As a measure to save the vessel.
(4) Disposition of cargo.

m. Information on the presence of U.S. Government cargo including:

(1) Nature of the cargo.
(2) Tonnage.
(3) Value of the cargo.
(4) Owning agency or department.
(5) Disposition.

n. Copies of all messages, telexes, facsimiles or written correspondence relative to the salvage operation sent or received from receipt of orders to proceed or divert until delivery of the salved vessel, return to station or resumption of voyage.

o. A description of any damage sustained by either the assisting vessels or the casualty. The description should be supported by:

(1) Photographs.
(2) Shipyard inspection reports.
(3) Surveyors' field notes.

p. An explanation of any circumstances under which Navy personnel and equipment were employed in air/sea rescue operations and a description of the services performed.

q. Advance Report. The advance report submitted by naval message, facsimile or express mail directly to the Supervisor of Salvage (NAVSEA Code 00C) immediately upon completion of the salvage operation shall only contain information specified in paragraphs 2b, 2c, 2j and 2k.

r. A statement as to whether or not a Salvage Technical Report will be submitted.

3. Report Content. As the Post Salvage Operations Report is oriented toward the preparation of invoices and use in salvage litigation, the information required covers the most complex case, the salvage of a commercial vessel, where a great amount of information is required. For operations involving Government vessels and other less complex cases, a simplified report may be used. At the same time, extraneous items not specified in this instruction (e.g., requests for equipment, supply requisitions, etc.) are not desired and are detrimental to the effectiveness of the salvage report.

# SECTION 5

## THE SALVAGE TECHNICAL REPORT

1. General. The Salvage Technical Report is an optional letter report submitted by the Operational Commander of the salvage operation to the Commander, Naval Sea Systems Command (Code 00C) via the chain of command following each salvage operation and at any other appropriate time. Copies of the report are sent to the Chief of Naval Operations (N866) and the Commanding Officer, Naval Diving and Salvage Training Center. The report is intended for the internal use of naval activities. The purpose of the report is to:

a. Provide information on the performance of salvage equipment and machinery to the Supervisor of Salvage so he may function more effectively in his position as technical agent for salvage. This information will be used to modernize and/or modify ESSM and Fleet equipment as part of the consolidated depot maintenance effort.

b. Provide information on salvage techniques and procedures which are particularly effective so that they may be disseminated throughout the salvage community and incorporated in salvage training.

c. Provide information on salvage techniques and procedures which are inefficient or ineffective so they may be modified.

d. Provide information on safety problems encountered and the solutions implemented in the field so that they may be disseminated throughout the salvage community and incorporated in salvage training.

e. Provide recommendations based on field experience which will improve the effectiveness of salvage machinery and procedures.

2. Format and Content. Because the Salvage Technical Report is submitted on a wide range of subjects, there is no set format. It is suggested that the report consist of a forwarding letter with enclosures for each item discussed in the general format given below. Inappropriate items may be omitted and additional items added as desired for completeness and clarity. The report should be supported by photographs and sketches wherever feasible.

a. Operation Information

(1) Name of Assisting Unit.
(2) Name of Ship Assisted.

(3) Nature of the Casualty.
(4) Location.
(5) Date.
(6) Reference Data for the Post Salvage Operations Report.

b. Task. A brief description of the particular task or the specific problem addressed by the report.

c. Plan. The original method planned to accomplish the task.

d. Action. A brief description of the action taken to accomplish the task. Include the result of the action and discuss factors contributing to its success or failure.

e. Equipment Used.

f. Problems Encountered. A description of events or circumstances or failures of equipment or machinery which caused the original plan to be revised.

g. Solutions Developed. A description of the procedure followed or modifications made to equipment, machinery or procedures to solve problems. Include a description of the effectiveness of the action. This section should also include a description of unsuccessful attempts to solve the problem and the reasons for their failure.

h. Safety Considerations.

i. Lessons Learned.

j. Recommendations. What corrective action should be taken and who should take it.