



FOR IMMEDIATE RELEASE

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MARAD 02-00

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## **\$1.1 Billion in Contracts Awarded To Keep Ships Ready for National Defense**

Maritime Administrator Clyde J. Hart Jr. today announced the award of 33 contracts, awarded on a competitive basis, to nine American ship owning and operating companies to manage 74 ships which are maintained to support America's armed forces. The contracts are performance-based contracts structured around the purpose of the work to be performed with measurable performance requirements, a part of Vice President Gore's Reinventing Government initiative. The objective is paying for results, not just best efforts.

The total estimated combined value for all 33 contracts awarded over the next five years is \$1.1 billion. This figure includes the \$316.3 million value of the basic contracts, plus expected costs of shipyard work and other maintenance and operational expenses for which the ship managers will be reimbursed.

The Ready Reserve Force (RRF) is composed of militarily useful ships maintained in a high state of readiness to be activated within four, five, 10, or 20 days of notice from the Defense Department. The Transportation Department's Maritime Administration is responsible for acquiring, upgrading, deactivating, and maintaining the RRF.

"These contracts will enable the Ready Reserve Force to continue to perform its vital role in protecting America's national security, one of the Department of Transportation's top strategic priorities," said U.S. Transportation Secretary Rodney E. Slater.

"Our partnership with the American maritime industry has been very successful," Hart said. "Privately owned U.S.-flag merchant vessels and America's merchant seafarers serve our nation in peace and war. These contracts ensure that this experience and expertise will help keep our reserve ships ready to meet any emergency we may face."

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In recent years, RRF ships have supported military and humanitarian operations in the Persian Gulf, Somalia, Haiti and Bosnia.

When activated, RRF ships are crewed by civilian American seafarers. The highest priority ships are maintained with partial crews onboard. When the ships are activated, remaining crew members come from the pool of seafarers such as those whose normal jobs are aboard other U.S.-flag merchant ships which operate in the nation's domestic and international commerce.

Ship manager contracts are awarded on a competitive basis, utilizing full and open competition. Each contract covers a group of two or three ships, and the maximum award for any one contractor is 12 ships.

Following a previous announcement of contracts to manage RRF ships in 1998, MARAD independently discovered an error in the award process, and rescinded the contracts. It extended existing contracts to make sure the ships remained mission ready.

The table that follows shows the companies awarded ship manager contracts, the value of the basic contracts, the RRF ships covered, and the ships' present location.

**Ready Reserve Force Ship Manager Contracts**  
*May 2000*

<b>Ship Manager</b>	<b>Contract Amount</b>	<b>RRF Vessel Assigned</b>	<b>Vessel Location</b>
American Overseas Marine Corporation Quincy, MA	\$10,701,806	CAPE JUBY CAPE JOHNSON	Wilmington, NC
	\$6,892,320	CAPE JOHN CAPE JACOB	Violet, LA Prepositioned
	\$11,543,456	GREEN MT STATE BEAVER STATE	Bremerton, WA
	\$12,214,503	WRIGHT CURTISS CAPE NOME	Baltimore, MD Port Hueneme, CA JRRF*
Crowley Liner Services Jacksonville, FL	\$2,438,780	CAPE LAMBERT CAPE LOBOS	JRRF*
	\$10,429,488	CAPE WASHINGTON CAPE WRATH	Baltimore, MD
	\$11,389,276	CAPE INTREPID CAPE ISLAND	Tacoma, WA
	\$10,635,988	CAPE ISABEL CAPE INSCRIPTION	Long Beach, CA
Interocean Uglan Management Corp. Voorhees, NJ	\$12,088,040	GOPHER STATE FLICKERTAIL STATE CORNHUSKER STATE	Prepositioned Cheatham Annex, VA
	\$6,809,145	CAPE MENDOCINO CAPE MAY	JRRF* Baltimore, MD
	\$2,723,650	PETERSBURG POTOMAC	Prepositioned Prepositioned
	\$6,809,145	CAPE FEAR CAPE MOHICAN	SBRF San Francisco, CA
	\$6,921,545	CHESAPEAKE MOUNT WASHINGTON	San Francisco, CA Houston, TX

<b>Ship Manager</b>	<b>Contract Amount</b>	<b>RRF Vessel Assigned</b>	<b>Vessel Location</b>
Keystone Shipping Co. Bala Cynwyd, PA	\$17,591,983	CAPE RACE CAPE RAY CAPE RISE	Portsmouth, Va
	\$12,211,482	CAPE KENNEDY CAPE KNOX	New Orleans, LA
	\$12,211,522	CAPE VICTORY CAPE VINCENT	Beaumont, TX
	\$2,939,420	MISSION BUENAVENTURA MISSION CAPISTRANO	BRF*
	\$12,212,080	CAPE ORLANDO ADM WM CALLAGHAN	San Francisco
Marine Transport Lines, Inc. Weehawken, NJ	\$11,098,030	CAPE EDMONT CAPE DUCATO	Charleston, SC
	\$11,098,030	CAPE DECISION CAPE DOUGLAS	Charleston, SC
	\$11,097,430	CAPE DIAMOND DAPE DOMINGO	Charleston, SC
	\$15,932,462	CAPE HENRY CAPE HORN CAPE HUDSON	San Francisco, CA
Mormac Marine Enterprises, Inc. Stamford, CT	\$2,768,190	CAPE ANN CAPE ARCHWAY	JRRF*
	\$11,163,758	CAPE ALEXANDER CAPE AVINOF	Baltimore, MD
	\$17,204,673	CAPE TAYLOR CAPE TEXAS CAPE TRINITY	Houston, TX
	\$2,768,190	COMET METEOR	SBRF*
Ocean Duchess, Inc. Houston, TX	\$2,594,085	ALATNA CHATTAHOOCHEE NODAWAY	Tsuneishi, Japan

<b>Ship Manager</b>	<b>Contract Amount</b>	<b>RRF Vessel Assigned</b>	<b>Vessel Location</b>
Pacific Gulf Marine, Inc. Gretna, LA	\$11,546,604	DIAMOND SATE EQUALITY STATE	Houston TX
	3,268,500	CAPE FAREWELL CAPE FLORIDA CAPE FLATTERY	BRF*
	\$16,196,284	KEYSTONE STATE GEM STATE GRAND CANYON STATE	Alameda, CA
Patriot Contract Services, LLC Walnut Creek, CA	\$7,582,047	CAPE BRETON CAPE BOVER	SBRF* Alameda, CA
	\$11,614,614	CAPE BLANCO CAPE BORDA	Alameda, CA
	\$11,620,734	CAPE GIBSON CAPE GIRARDEAU	Alameda, CA

\* JRRF – James River, Va., Reserve Fleet  
SBRF – Suisun Bay, Calif., Reserve Fleet  
BRF – Beaumont, Texas, Reserve Fleet