



May 14, 2014

Members of the Class of 2014  
U.S. Merchant Marine Academy  
Kings Point, NY 11024-1699

**Re: U.S. Merchant Marine Academy Service Obligation**

Dear Midshipman:

In a few weeks, you will be graduating and joining the distinguished ranks of U.S. Merchant Marine Academy (USMMA) alumni. We congratulate you for your fine accomplishment.

As you begin your career, please bear in mind that you are the recipient of a world-class education provided by the Federal Government and paid for by American tax payers. In exchange for your education at USMMA, you committed to fulfill a maritime service obligation following graduation, a commitment that is mandated by law<sup>i</sup>, restated in the Maritime Administration's regulations<sup>ii</sup>, and in the Service Obligation Contract you signed.

The following is a summary of the applicable laws and regulations governing your service obligation to the Maritime Administration (MARAD), and is provided for ready reference. For the full text of the applicable laws and regulations, please refer to 46 U.S.C. § 51306 and 46 C.F.R. § 310.58.

**I. YOUR SERVICE OBLIGATION**

Having successfully completed the course of instruction at USMMA and upon receiving your U.S. Coast Guard (USCG) Merchant Mariner Credential (MMC) with an officer endorsement, your remaining service obligation covers the following four (4) elements:

1. Service/employment in the maritime industry;
2. Maintaining your USCG credential;
3. Maintaining your U.S. Navy Reserve commission; and
4. Annual compliance reporting.

Your obligation requires completion of every element listed above. The only exception to this is individuals who, for the five (5)-year period following graduation, serve as a

commissioned officer on active duty in the Armed Forces of the United States or as a commissioned officer of the National Oceanic and Atmospheric Administration (NOAA) or the Public Health Service (PHS). Those graduates who provide five (5) years of honorable active duty service will be excused from the licensure and Reserve commission requirements of their obligation. Details are provided below.

Having committed to fulfill your service obligation, failure to do so may lead to induction into the U.S. Armed Forces or repayment of the cost of the education you received while enrolled at USMMA.

This section of the letter describes the details on fulfilling your obligation for each of these categories, and answers many frequently asked questions.

### **SERVICE/EMPLOYMENT IN THE MARITIME INDUSTRY**

#### ***A. What exactly does the service/employment portion of my service obligation require?***

The key component of your service obligation is that for a specified amount of time following graduation, you must sail as a merchant marine officer aboard a U.S. flag vessel. For USMMA graduates, your service/employment requirement is five (5) years.

This includes, but is not limited to, service on any of the following types of vessels – provided that they are U.S. flagged vessels: Ocean going; Military Sealift Command; coastal and inland; tugs and towboats; passenger; and offshore energy vessels, platforms and drilling units.

For those individuals who meet the service portion of their service obligation by sailing, 46 CFR § 310.58(b) defines a satisfactory year of service as being the lesser of: (1) 150 days; or (2) the number of days that is at least equal to the median number of days of seafaring employment under articles achieved by deck or engine officer in the most recent calendar year for which statistics are available. MARAD has determined that 150 days of service constitutes a satisfactory year of service.

If you are signed onboard a vessel in the capacity of a crew member or working as a pilot or in a pilot training program for any portion of a day, that day counts as one day, and one day only, towards meeting your service obligation of 150 days per year of service.

Years of service are based on twelve (12) month increments from a graduate's individual date of graduation. The graduation date for the Class of 2014 is June 21, 2014. For Midshipmen who graduate on June 21, 2014, their first year of service runs from June 21, 2014 to June 21, 2015. Graduates are required to sail a minimum of 150 days as a merchant marine officer on a U.S. flag vessel between June 21, 2014 and June 21, 2015. Thereafter, they are required to sail a minimum of 150 days each successive service year (June 21, 2015 to June 21, 2016, June 21, 2016 to June 21, 2017, etc.).

This is the primary objective of the service/employment portion of your obligation and, while you may potentially satisfy your service obligation through other, alternative, means of service/employment, sailing as an officer aboard a U.S. flagged vessel is considered the principal method of meeting your obligation.

***B. Can I fulfill my service obligation in any way other than sailing as an officer aboard a U.S. flag vessel?***

Yes. However, there are some regulatory and procedural constraints.

The laws and MARAD regulations that govern your service obligation do allow you to fulfill the service/employment portion of your obligation in several alternative ways. These alternatives fall into two main categories of service: (i) Service that DOES NOT require MARAD approval to qualify as fulfilling service obligation requirements; and (ii) service that DOES require MARAD approval to qualify as fulfilling service obligation requirements.

**i. Service that DOES NOT require MARAD approval to qualify**

By and large, MARAD approval is required before any alternative means of employment will be considered as satisfying your service obligation. The sole exceptions are:

- (a) Serving as a Commissioned officer on active duty in the U.S. Armed Forces;
- or
- (b) Serving as a Commissioned officer in NOAA or PHS.

Currently, graduates from USMMA proudly serve in all branches of the U.S. Armed Forces and the NOAA and PHS Corps. This is an excellent way to fulfill your service obligations while contributing directly to our Nation's security. Five (5) years of honorable active duty service satisfies all portions of your service obligation with the exception of your annual report. If you complete at least five (5) years of honorable active duty service, you do not need to maintain a Reserve commission or maintain a valid USCG credential.

***Please note that you still must submit all of the required annual reports. This includes providing employment information (duty station, address, etc).***

If you are on active duty service for less than five (5) years, you are still responsible for the other components of your service obligation.

To reiterate, unless you sail as an officer aboard a U.S. flagged vessel, or serve as a commissioned officer on active duty in the U.S. Armed Forces or with NOAA or PHS, your employment does not count towards your service obligation unless MARAD has approved your alternative employment. ***All other alternative categories of employment***

***must be approved by MARAD before any time spent in such employment will count towards meeting your service obligation.<sup>iii</sup>***

**ii. Service that DOES require MARAD approval to qualify**

The potential alternative categories of employment are:

- (a) As a merchant mariner in an unlicensed position aboard a U.S. flagged vessel;
- (b) As an officer aboard a foreign flag vessel;
- (c) As an employee of the Federal Government in a shoreside position that is significantly maritime-related, and which serves the national security interests of the country; or
- (d) As an employee of a private company in a shoreside position that is maritime-related. ***Note this will only be approved if*** a determination has been made by MARAD that you first conscientiously sought an afloat position as an officer aboard a U.S. flagged vessel and that afloat employment is not available to you.

- In view of current and projected employment opportunities afloat, this private shoreside employment option is granted infrequently and only on the basis of comprehensive evidence, provided by you, that you conscientiously sought afloat employment and that such employment was/is not available to you.

While the applicable laws, regulations and language of your Service Obligation Contract have not wavered on these requirements, there has been some confusion among graduates and among employers concerning these alternative categories of employment. We are aware of instances where graduates have accepted employment in one of these alternative categories, but did not ask or receive MARAD's approval for their employment. This has unfortunate consequences, as those who have not obtained MARAD approval are non-compliant and may be subject to default on their service obligation.

Additionally, some graduates may have mistakenly believed that their alternative employment was pre-approved by MARAD, or that no approval was required at all. This is not correct. MARAD approval of these alternative categories of employment has ***always*** been required.

While MARAD is currently pursuing a number of willfully non-compliant graduates, we anticipate that these defaults and the ensuing civil lawsuits prosecuted by the Department of Justice will be the exception rather than the rule.

***C. How do I obtain MARAD approval of my alternative employment?***

To obtain MARAD approval for any alternative service options you must complete and submit an Employment Determination Request (EDR) and provide the information and documentation required by your particular category of employment. The most recent version of the EDR form includes a set of instructions outlining what information and

documentation is required. A PDF copy of the EDR form can be downloaded from MARAD's Maritime Service Compliance System (MSCS) website (<https://mscs.marad.dot.gov>). If you are unable to access the form on the MSCS website and would like to request an EDR form, please contact MARAD at:

Maritime Administration  
Office of Maritime Workforce Development  
1200 New Jersey Avenue, SE  
Washington DC 20590  
(202) 366-7618  
[maritime.graduate@dot.gov](mailto:maritime.graduate@dot.gov)

Should you require assistance in preparing and submitting your EDR, please contact the MARAD Office of Maritime Workforce Development directly via telephone at (202) 366-7618 or e-mail at [maritime.graduate@dot.gov](mailto:maritime.graduate@dot.gov).

Please note that MARAD approval of an EDR will be strictly limited to the specific employment for which approval was sought. This means that approval will remain in effect only as long as you maintain the exact same employment as specified on your EDR. If you change positions with your existing employer, or if you change employers, you will need to submit a new EDR and obtain prior MARAD approval for each new position to meet the service portion of your obligation. These additional "follow-up" EDRs are necessary to allow MARAD to ensure that your new position satisfies the legal requirements for permissible alternative employment.

Lastly, the approval of an EDR does not exempt you from the other elements of your service obligation. You still must comply with the licensure, Reserve duty and reporting elements of your obligation.

### **MAINTAINING YOUR U.S. COAST GUARD CREDENTIAL AND TWIC**

If you are not on active duty for the requisite five (5) year period following graduation, you must maintain a valid USCG Merchant Mariner Credential (MMC) with an officer endorsement and a Standards of Training, Certification and Watchkeeping (STCW) endorsement for six (6) years following graduation. You must also maintain the appropriate national/international endorsements and certification required by the Coast Guard for service aboard domestic and international vessels. You must renew or upgrade your MMC once. Maintaining a document of continuity does not fulfill this portion of your obligation and there is ***no*** grace period. You must also maintain a valid Transportation Worker Identification Credential (TWIC) for six (6) years following graduation and maintain a valid USCG medical certificate for employment on vessels where STCW applies.

## **MAINTAINING YOUR RESERVE COMMISSION**

If you are not on active duty for the requisite five (5) year period following graduation, you must apply for and accept, if tendered, an appointment as a commissioned officer in one of the Reserve Components of the U.S. Armed Forces. The MARAD obligation requires maintaining your commission for at least six (6) years after graduation. Graduates are also strongly encouraged to join a Reserve Component as a Selective Reservist (SELRES).

If you have elected to request a recall to active duty in one of the Armed Forces and your request is approved, your service on active duty will satisfy this requirement as well as the service/employment portion of your obligation for the time period during which you remain on active duty.

## **ANNUAL COMPLIANCE REPORTING**

All graduates – including those on active duty as a commissioned officer in the U.S. Armed Forces or with NOAA or PHS – must submit a minimum of seven (7) annual reports following graduation to complete that portion of their service obligation<sup>iv</sup>. These annual reports must be filed with MARAD between January 1 and March 1 each year, and are intended to provide MARAD with details on your actions to meet your service obligation during the previous calendar year.

For instance, as a graduate from the Class of 2014 you must file your first report between January 1 and March 1, 2015. This report is referred to, and filed as, your 2014 report because it reports what you did during the prior calendar year, meaning in this case the time between your graduation in June 2014 until December 31, 2014.

You must then continue to file annual reports between January 1 and March 1 of each successive year on your actions during the previous calendar year until you have filed a minimum of seven (7) annual reports, or until all components of your service obligation are fulfilled, whichever is later.<sup>v</sup> For most of the Class of 2014, your last report will be filed with MARAD between January 1 and March 1, 2021.

Please be aware that depending on your particular circumstances (such as an approved graduate school deferment or an agreed-upon hardship extension), your annual reporting period may be extended beyond this seven (7)-year minimum. In that case, you must file annual reports until your service obligation is fulfilled.

You are encouraged to file your compliance reports using the web-based MSCS at <https://mscs.marad.dot.gov>.

***A. What if I have trouble accessing MSCS or submitting my reports electronically?***

In the event you are unable to access the website, please contact the MARAD Help Desk at (202) 385-4357.

If you have difficulty using MSCS, you should contact the MARAD Office of Maritime Workforce Development by telephone at (202) 366-7618 or e-mail at [maritime.graduate@dot.gov](mailto:maritime.graduate@dot.gov).

**WAIVER OR DEFERMENT OF YOUR SERVICE OBLIGATION**

If you are unable to fulfill your service obligation because of an undue hardship or impossibility of performance due to accident, illness or other justifiable reason, you may apply for a waiver of all or a portion of your service obligation. Applications for such a waiver must be submitted in writing with supporting documentary evidence of the underlying hardship or impossibility that forms the basis of your request.

Additionally, in exceptional cases, you may be allowed to defer all or a part of your service obligation for a period not to exceed two years, provided that you are a graduate who is considered to have superior academic and conduct records while at USMMA, and that you are seeking to enter a marine or maritime-related graduate course of study approved by the Maritime Administrator, or for the purpose of pursuing studies as the recipient of a scholarship or fellowship of national significance. Applications for such a deferment must be submitted in writing with supporting documentation of your acceptance into and/or enrollment in the applicable marine or maritime-related graduate course of study, or of your award and acceptance of the applicable scholarship or fellowship.

You are encouraged to file your waiver or deferral using the web-based MSCS at <https://mcs.marad.dot.gov>. Alternately, you may contact the MARAD Office of Maritime Workforce Development, by telephone at (202) 366-7618 or e-mail at [maritime.graduate@dot.gov](mailto:maritime.graduate@dot.gov), to obtain a copy of the necessary form(s) and instructions on submitting physical or electronic copies of said form(s).

**II. THE MARITIME SERVICE COMPLIANCE SYSTEM (MSCS)**

In recent years, MSCS has undergone significant overhaul. This system redesign will make compliance reporting and tracking better automated and more efficient. As with many new computer systems, it is a work-in-progress, with some compatibility and functionality issues still occurring. We have spent substantial time this year working to address identified problems and would ask that you bear with us in the interim. Once MSCS is fully functional, it will make your annual reporting faster and easier, and will allow you to submit employment determination requests, deferment requests and waiver

requests electronically. These improvements will also let you know exactly where your individual request is in the review/approval process.

If you encounter any difficulties in submitting your annual reports, we ask that you contact the MARAD Office of Maritime Workforce Development, by telephone at (202) 366-7618 or via email at [maritime.graduate@dot.gov](mailto:maritime.graduate@dot.gov), and let us know about the issue. Your assistance and functionality recommendations are vital to our improvement of the MSCS, and we will do everything possible to work with you to ensure a smoother and more user-friendly experience.

You are required to log into MSCS prior to graduation to update your contact information on your personal information page. This will ensure that you will receive important updates in the months prior to submitting your first annual report. A user guide has been included with this letter to assist you with self-registration, logging into the system and updating your personal information page. If you encounter any difficulties we ask that you contact the MARAD Office of Maritime Workforce Development, by telephone at (202) 366-7618 or via email at [maritime.graduate@dot.gov](mailto:maritime.graduate@dot.gov) so that we can assist you.

In the coming months, we expect to post additional news bulletins on the MSCS homepage (<https://mscs.marad.dot.gov>) detailing improvements to the system, so please keep an eye out for those announcements. Additionally, we expect to post a Frequently Asked Questions (FAQ) page and a new User Guide on the MSCS homepage demonstrating how to register, login and submit your annual reports.

### **III. CLOSING THOUGHTS**

If you are not commissioned as an officer in the U.S. Armed Forces or with the NOAA or PHS and have difficulty obtaining afloat employment, you are encouraged to seek assistance from the USMMA Department of Professional Development and Career Services.

U.S. Merchant Marine Academy  
Department of Professional Development and Career Services  
300 Steamboat Road  
Kings Point, NY 11024  
(516) 726-5821  
[serviceobligation@usmma.edu](mailto:serviceobligation@usmma.edu)

MARAD takes fulfillment of your service obligation seriously and has recently been forced to pursue legal action against several graduates who failed to meet their service obligations in order to recoup a portion or the full-cost of their education. Failure to comply with all of your statutory obligations may result in your involuntary recall to active duty in the U.S. Armed Forces, as determined by the Secretary of Defense, or a requirement to repay the Federal Government for the cost of your education. The cost of

a standard four years of education at the USMMA is currently estimated to be over \$200,000.

USMMA has a long tradition of producing maritime leaders, and you can be proud that you will soon be joining a distinguished list of graduates. As you set sail on an exciting new career in the maritime industry or on active duty, I congratulate you and extend to you my best wishes.

Sincerely,



Paul N. Jaenichen  
Acting Maritime Administrator

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<sup>i</sup> 46 U.S.C. §§ 51306(a)(5), 51509(d)(5) and 46 C.F.R. §§ 310.58(a)(5), 310.7(b)(3)(vi).

<sup>ii</sup> 46 C.F.R. §§ 310.58(d)(1) and 310.7(b)(6)(i)

<sup>iii</sup> 46 U.S.C. §§ 51306(a)(5), 51509(d)(5) and 46 C.F.R. §§ 310.58(a)(5), 310.7(b)(3)(vi).

<sup>iv</sup> 46 C.F.R. §§ 310.58(d)(1) and 310.7(b)(6)(i)

<sup>v</sup> 46 C.F.R. §§ 310.58(d)(1) and 310.7(b)(6)(i)

**I acknowledge receiving, reading and understanding the contents of the Class of 2014 U.S. Merchant Marine Academy Graduates' Service Obligation letter.**

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**Signature**

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**Printed Full Name (Last, First and Middle Name)**

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**Date**

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**Mariner Reference Number \***

\* When a mariner applies for an original credential for the first time, they will receive a mariner reference number and an application identification number. The mariner reference number is unique to each mariner and will not change during subsequent credential transactions. The USCG reference number will be printed on the Merchant Mariner Credential.

**\*\*\*SIGN AND RETURN THIS PAGE TO YOUR COMPANY OFFICER WITHIN SEVEN (7) DAYS \*\*\***