



RVOC 2025 – MOSA Update



What is the MOSA?

- MOSA is an acronym for the Major Overhaul Stabilization Account – each ship in the ARF should have one
- The MOSA accumulates funds for long-term, planned maintenance that generally aligns with the ship's drydocking and other overhaul cycles, and for the Class/regulatory requirements associated with such cycles
- MOSA funds are not for emergency/unplanned repairs or casualty breakdowns, which are typically the responsibility of the ship's owner
- The MOSA is funded by the ship's MOSA Rate which is a component of the ship's Day Rate, but is negotiated separately from the Operational Rate. ¹
- Funds are accumulated in the MOSA during normal operations and then spent down during drydockings and overhaul periods
- MOSA funds are deposited in a separate interest-bearing bank account held by the operating institution. Interest earned on the balance must be deposited back into the account. ²
- Greater detail about what the MOSA is and how to use it can be found in a newly updated MOSA Guidelines document posted here: [\[redacted\]](#) ³

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MOSA Plan & Rate

- MOSA Plan: ARF operators must develop a rolling five-year, long-term maintenance plan that lists all reasonably anticipated expenses associated with regulatory drydockings, engine overhauls, major system maintenance, equipment replacements, etc.
- The MOSA Plan covers the current year and the next four years.
- The MOSA Plan is updated at least annually as work, procurements, and project items are completed, and as new items come up that will require funding through the MOSA Rate.
- The cost items in the MOSA Plan are the basis for calculating the MOSA Rate.
- The MOSA Rate is the mechanism for collecting funds for current and future planned maintenance expenses.
- The MOSA Rate spreads out the costs of long-term, planned ship maintenance over time and collects such funds from all the users and funders in an equitable way.

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Spending MOSA Funds

- Before Spending MOSA Funds: MOSA expenditures must have written prior approval from the NSF Program Officer. ¹
- No crystal ball: it is understood that a MOSA Plan cannot foresee every potential expense in a planned shipyard or overhaul evolution – there is almost always cost growth due to findings once a shipyard or overhaul project begins. Overall cost growth of 10% is allowed by the Cooperative Agreements for unforeseen items that are within the scope of originally specified work. Unplanned work or repairs that emerge during a shipyard or overhaul may be approved as MOSA expenses on an ad hoc basis by the NSF Program Officer after considering the particular facts of the situation.
- Reports: once a drydocking or overhaul evolution is in the execution phase, operators must provide periodic reports on progress of the work, change orders, and new or unexpected costs above 10% of the amount of previously approved MOSA expenditures.

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Observations from MOSA Reviews

- Requesting spending approval for items that are not in the MOSA Plan
- Requesting MOSA spending approval for emergency repairs
- Short-fused spending requests
- Huge variation in how operators request spending approval, and how they report during and after spending or project execution
 - Different spreadsheet presentations
 - Different organization of similar info (from one operator to the next)
 - All narrative and no spreadsheet or tables
 - Current MOSA balance not included with spending request
- Huge variance between operators in terms of funds remaining in MOSAs after a major drydocking or overhaul (from negative balances to large positive balances)

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MOSA Planning Tool

- Excel file developed to standardize MOSA planning, spending requests, execution phases of overhauls, and final reporting.
- Seven tabs within the file: Instructions, MOSA Plan, SY Quote, SY Change Orders, 3rd Party Quotes, M&R Exp, Final Report.
- MOSA Plan tab is very similar to the “MOSA Tables” tab in the annual ShipOps Proposal & MOSA templates provided by NSF, allowing copy-and-paste transfer of most maintenance line items.
- Within the MOSA Plan tab we have standardized various project costs and machinery/system groups in bold black text; text in red italics is for editing as necessary for the particular ship.
- The second to last line of the MOSA Plan tab is for building-in contingency expenses in each CY – this is a suggestion, and the percentage may vary by ship; NSF may have something to say about this. ¹
- The remaining tabs are self-explanatory.
- Keep the file up-to-date with frequent edits during execution phases to make expense tracking and reporting easier.

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Anything else MOSA-wise?

- When we review MOSA requests, we will always ask:
 - is the requested item in the MOSA Plan, and
 - what is the vessel's current MOSA balance?
- We look forward to your feedback and suggestions to improve the MOSA Guidelines and MOSA Planning tool.

Questions?