

**Date: 18 July 2018**

**From: UNOLS Office, Executive Secretary**

**Re: Charging for Loading and Unloading in an Operator's Homeport for Vessels in the Academic Research Fleet (ARF)**

**Effective: CY 2019**

Previously, the days spent in an ARF vessel's homeport for loading and unloading a cruise were not chargeable days to the particular user, rather the costs incurred, while loading and unloading, were distributed across all users during a calendar year resulting in compensation to the operator via the Ship's Day Rate.

Starting in 2019 the vessel operators will begin to charge for homeport loading and unloading days, to keep the ships of the Academic Research Fleet compliant with 2 CFR §200.468\_ b. To review the language in 2 CFR 200.468\_b – Costing Rules for University and Nonprofits provides principles for a daily ship rate methodology.

*Specifically, 200.468 Specialized service facilities (b) The costs of such services, when material, must be charged directly to applicable awards based on actual usage of the services on the basis of a schedule of rates or established methodology that:*

- 1) Does not discriminate between activities under Federal awards and other activities of the non-Federal entity, including usage by the non-federal entity for internal purposes, and*
- 2) Is designed to recover only the aggregate costs of the services.*

Going forward, the new methodology of establishing a homeport load/unload day rate, a separate Major Overhaul Stabilization Account (MOSA) rate, and an operational rate, will provide more transparency to the ship's overall day rate calculation, and is in-line with industry practice. This will also change the way the utilization of ships is presented, where traditionally the utilization count was solely based on "charge days".

The Federal Agencies feel that this will represent a more accurate projection of usage, and give the regionally based ships parity to those ships that mostly work abroad in terms of displaying the level of effort needed to maintain ships at their FOY (Full Optimal Year).

This will not result in additional revenue for the ships. In the end, a vessel's total annual budget (and therefore charges) will not go up. As noted, the homeport services to users were already being expensed, but the costs were being distributed across all users as opposed to the specific user receiving the service. The separate port rate will be determined by each operator and approved by NSF. It should reflect a defensible/auditable rate that covers actual in-port costs (i.e. in most cases the in-port loading/unloading day will be lower). The impact to the ship operation's provisional day rate calculation will be a reduction because the methodology for calculating the rates is derived from the chargeable utilization days.