



U.S. Department of Transportation
Maritime Administration

SERVICE OBLIGATION CONTRACT FOR STUDENT INCENTIVE PAYMENT PROGRAM

NAME: (Last, First, MI)

U.S. CITIZEN

☐ Yes ☐ No

STUDENT ID No.

DATE OF BIRTH (MM/DD/YR)

ACADEMY / COLLEGE

SMA ENROLL DATE

GRADUATION YEAR

Authority: 46 U.S.C. § 51509

I hereby apply for the Student Incentive Payments (SIP) Program for a period not to exceed four (4) academic years at the maritime academy/college (hereinafter "School") identified above. I understand that this Service Obligation Contract (hereinafter "Contract") becomes effective upon the date of execution of this Contract by the authorized representative of the Maritime Administration, U.S. Department of Transportation.

(A) SERVICE OBLIGATION COMMITMENT

In consideration of the obligation of the Maritime Administration to make SIP payments to me, I hereby obligate myself and agree to:

- (1) Accept Enlisted Reserve status in the United States Navy Reserve (including the Strategic Sealift Officer Program (SSOP), U.S. Navy (USN) Reserve) or the U.S. Coast Guard (USCG) Reserve. If I am not accepted into the U.S. Navy Reserve or USCG Reserve, my entitlement to receive SIP payments will be immediately revoked. I acknowledge that a prerequisite for my receipt of SIP payments is the continuance of my enlisted reserve status in the USN Reserve or USCG Reserve;
- (2) Use SIP payments to defray the cost of uniforms, books, subsistence, and tuition;
- (3) Complete the course of instruction at the School, including the Naval Science curriculum;
- (4) Fulfill the requirements for a USCG Merchant Mariner Credential (MMC), unlimited as to horsepower or tonnage, as an officer in the Merchant Marine of the United States, accompanied by the appropriate national and international endorsements and certifications required by the USCG for service aboard vessels on domestic and international voyages, without limitation, not later than three (3) months after completing the course of instruction at the School;
- (5) Maintain a valid USCG MMC, unlimited as to horsepower or tonnage, as an officer in the Merchant Marine of the United States for at least six (6) years following the date of my graduation from the School, accompanied by the appropriate national and international endorsements and certifications as required by the USCG for service aboard vessels on domestic and international voyages, including but not limited to a Standards of Training, Certification, and Watchkeeping (STCW) endorsement as an officer in charge of a navigation watch (OICNW) or engineering watch (OICEW), and a valid Transportation Worker Identification Credential (TWIC). Graduates must also maintain a valid USCG medical certificate with an unexpired STCW date;
- (6) Apply for an appointment as, to accept if tendered an appointment as, and to participate as a commissioned officer in the USN Reserve (including the SSOP, USN Reserve), the USCG Reserve, or any other Reserve component of the Armed Forces of the United States, prior to my graduation from the School; and to maintain the commission in active status in good standing, as determined by the program manager of the appropriate military service for at least eight (8) years after the date of commissioning;
- (7) Serve the foreign and domestic commerce and the national defense of the United States for at least three (3) years following the date of graduation from the School --
 - (a) As a Merchant Marine officer serving on vessels documented under the laws of the United States or on vessels owned and operated by the United States or by any State or territory of the United States;
 - (b) As an employee in a United States maritime-related industry, profession, or marine science (as determined by the Maritime Administrator or delegee, hereinafter referred to as the Maritime Administrator), if the Maritime Administrator determines that service under clause (a) is not available to me;
 - (c) As a commissioned officer on active duty in the Armed Forces of the United States, as a commissioned officer in the National Oceanic and Atmospheric Administration (NOAA) or the United States Public Health Service (USPHS), or in other maritime-related employment with the Federal Government which serves the national security interests of the United States, as determined by the Maritime Administrator; or
 - (d) By combining the services specified in (a), (b) and (c) above; and
- (8) Submit an annual service obligation compliance report via the Maritime Service Compliance System (MSCS) <https://mscs.marad.dot.gov> between January 1 and March 1 of each year following the year of graduation, until all components of my service obligation are fulfilled and have been so reported. A hard copy MA-930 Annual Service Obligation Compliance Report form may also be mailed to the Maritime Administration, Office of Maritime Labor and Training (MAR-650) 1200 New Jersey Ave SE, Washington, DC 20590. If I am granted a deferment of the service obligation to engage in a graduate course of study or for any other reason, as described below, reports must be submitted during the period of graduate course study or other deferment, and then annually through to and including the first reporting period following the end of such deferment.
- (9) As an alternative to fulfilling the obligations enumerated in Subsections 5, 6 and 7 above, I may instead serve for the five (5) year period following graduation as a commissioned officer on active duty in the Armed Forces of the United States, or as a commissioned officer of the NOAA Corps or the USPHS Corps.

(B) BREACH OF SERVICE OBLIGATION CONTRACT

1. Failure to complete any of the obligations outlined above constitutes a breach of this agreement, unless I am excused from performance of Subsections 5, 6 and 7 of Section A by fully performing the obligation as set out in Section A, Subsection 9.
2. I understand and agree that if I fail to complete the course of instruction at the School as described in Section A, Subsection 3, and:
 - (a) If I have attended the School for more than two (2) academic years, but less than three (3) academic years, and I have accepted SIP payments totaling at least \$8,000, that I may be ordered by the Secretary of Defense to serve on active duty in one of the Armed Forces of the United States for a period of time not to exceed two (2) years; or

- (b) If I have attended the School for more than three (3) academic years, and I have accepted SIP payments totaling at least \$16,000, that I may be ordered by the Secretary of Defense to serve on active duty in one of the Armed Forces of the United States for a period of time not to exceed three (3) years; or
- (c) If the Secretary of Defense is unable or unwilling to order me to active duty, or if the Maritime Administrator determines that reimbursement of the cost of education provided would better serve the interests of the United States, the Maritime Administrator may recover from me the amount of SIP paid to me, plus interest and attorney's fees.
3. If I fail to fulfill any part of this Service Obligation Contract as set out in Section A, Subsections 4 through 8 above, I understand and agree that:
 - (a) I may be ordered by the Secretary of Defense to serve on active duty in one of the Armed Forces of the United States for a period of at least two (2) years, but not more than the unexpired portion of the service required under Section A, Subsection 7 above (as determined by the Maritime Administrator). The Maritime Administrator, in consultation with the Secretary of Defense, shall determine in which service I shall be ordered to serve such period of time; or
 - (b) If the Secretary of Defense is unable or unwilling to order me to active duty, or if the Maritime Administrator determines that reimbursement of the cost of education provided would better serve the interests of the United States, the Maritime Administrator may recover from me the amount of SIP paid to me, plus interest and attorney's fees.
4. Indebtedness Agreement: I agree that if the Maritime Administrator decides to proceed against me under either Section 8, Subsections (2)(c) or (3)(b) above, I will be indebted to the United States and upon request will pay to the United States the amount of all SIP paid to me, plus any interest and attorney's fees.
5. Remedies for Cost of Education Provided: In pursuing its remedies hereunder, I recognize and agree that the Maritime Administration may pursue any remedy available at law or equity and exercise all administrative remedies available to the United States.

(C) WAIVERS AND DEFERMENTS

Upon application by me, the Maritime Administration may modify or waive any of the components of the service obligation through imposition of alternative service requirements; may waive the remedies for breach of this Service Obligation Contract; or may defer my service obligations. Waivers and deferments are granted only upon the satisfaction of certain conditions. Information concerning the requirements to obtain such a waiver or deferment are set forth at 46 C.F.R. § 310.7. For further information concerning such waivers and deferments, contact the individual listed as the contact on the Maritime Administration's website at <https://mscs.marad.dot.gov>.

(D) CONTRACT EMBODIES ENTIRE UNDERSTANDING OF PARTIES, CHANGES CLAUSE

Except as modified by applicable law or regulation, this Service Obligation Contract embodies the entire agreement and understanding among the undersigned relating to this subject matter hereof and supersedes prior agreements and understandings relating to such subject matter. Neither this Service Obligation Contract nor any terms thereof may be changed, waived, discharged, or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge, or termination is sought.

(E) PRIVACY ACT

I have read and understand the Privacy Act Notice below on this form. Notwithstanding the provisions of the Privacy Act, I understand and agree that my signature below shall constitute my consent for the Maritime Administration and other Federal agencies to share otherwise protected information about me in order to determine my compliance with and to enforce the terms of this service agreement.

SIGNATURE (<i>SIP APPLICANT</i>)	DATE
SIGNATURE (<i>WITNESS, SCHOOL AUTHORIZING REPRESENTATIVE</i>)	DATE
SIGNATURE (<i>MARITIME ADMINISTRATION APPROVING OFFICIAL</i>)	DATE

WARNING: NON-PERFORMANCE OF SERVICE OBLIGATIONS

Failure to perform your service obligation under this agreement will result in your having to repay the cost of the education provided to you by the Federal Government, unless otherwise determined by the Maritime Administrator. To collect such debts, the Federal Government will use any and all available legal remedies such as filing suit in court, garnishing your wages, setting off this debt against funds owed you by the Federal Government, such as your tax refund, attaching a lien to and selling your property, reporting your debt to credit bureaus, and referring the matter to collection agencies.

**PRIVACY ACT NOTICE
(To Accompany MA Form-890)**

In accordance with 5 USC§ 552a(e)(3), the following statement is provided in connection with your submission of personal information to or for the Maritime Administration.

1. **AUTHORITY** for solicitation of the information: 46 U.S.C., Chapter 513.
2. **PRINCIPAL PURPOSE(S)** for which information is intended to be used: The name and social security number are to be used in the administration of the monitoring of the mandatory service obligation.
3. **ROUTINE USES** which may be made of this information: The social security number is a basic identifier. This information will be maintained by the Maritime Administration in official records and will not be divulged without your written authorization to anyone other than persons involved in monitoring the service obligation (e.g., officials of your school, your employer, the Department of Defense, U.S. Coast Guard and NOAA). This form also authorizes your school and your employer to provide to the Maritime Administration any information on you that is necessary for these purposes.
4. **Whether or not DISCLOSURE** of such information is mandatory or voluntary (required by law or optional) and the effects on the individuals, if any, of not providing all or any part of the requested information: Disclosure of the information is voluntary, however, failure to sign the Service Obligation Contract will result in immediate disenrollment from the Student Incentive Payment Program.