DEPARTMENT OF TRANSPORTATION

Maritime Administration

[Docket No. MARAD 2011–0082]

Application of Cargo Preference Requirements To Maritime Loan Guarantee Program

AGENCY: Maritime Administration (MARAD), Department of Transportation.

ACTION: Notice.

SUMMARY: This notice clarifies MARAD’s position on the application of cargo preference requirements under 46 U.S.C. 55305 to its shipyard and vessel financing guarantees.

DATES: Comments may be submitted on or before July 27, 2011.

ADDRESSES: Mail or hand deliver comments to the U.S. Department of Transportation, Dockets Management Facility, Room W12–140, 1200 New Jersey Avenue, SE., Washington, DC 20590, or submit electronically at http://www.regulations.gov or fax comments to (202) 493–2251. All comments should include the docket number that appears in the heading of this document. All comments received will be available for examination and copying at the above address from 9 a.m. to 5 p.m., E.T., Monday through Friday, except Federal holidays. Those desiring notification or receipt of comments must include a self-addressed, stamped postcard or you may print the acknowledgment page that appears after submitting comments electronically. You may review DOT’s complete Privacy Act Statement in the Federal Register published on April 11, 2000 (Volume 65, Number 70, Page 19477–78), or you may visit http://dms.dot.gov.

FOR FURTHER INFORMATION CONTACT:

SUPPLEMENTARY INFORMATION: MARAD is clarifying its application of cargo preference requirements under 46 U.S.C. 55305 to the shipyard and vessel financing guarantees it issues pursuant to the Maritime Loan Guarantee Program under 46 U.S.C. Chapter 537. MARAD’s existing regulations, at 46 CFR 381.7, apply cargo preference requirements to Federal grant, guarantee, loan and advance of funds agreements generally. This notice provides advice on regulatory compliance applicable solely to the Maritime Loan Guarantee Program. As part of MARAD’s review of the Actual Cost of a project, it requests the applicant or shipyard to provide copies of the original, freighted, stamped-“onboard” bills of lading for the shipment of any foreign component items submitted for inclusion as part of the Actual Cost. MARAD intends to review all such bills of lading to verify that at least 50 percent of all foreign component items were shipped via U.S.-flagged vessels. In the event that an impermissible amount of cargo was shipped on foreign-flagged vessels, MARAD interprets 46 U.S.C. 55305(d)(2)(B) to authorize it to require the applicant or its contractors to move whatever amount of gross tons of cargo, not otherwise subject to cargo preference requirements, that are necessary to generate an equivalent amount of ocean freight tonnage on U.S.-flag vessels within a specified time period.

By Order of the Maritime Administrator.
Dated: June 16, 2011.

Christine Gurland,
Secretary, Maritime Administration.