

the United States, or involving any other person that is not a citizen of the United States, as a result of which the beneficiary or other person would hold more than 25 percent of the aggregate power to influence or limit the exercise of the authority of the trustee with respect to matters involving any ownership or operation of the vessel that may adversely affect the interests of the United States.

(B) **AUTHORITY OF NON-CITIZENS.**—If any person that is not a citizen of the United States has authority to direct or participate in directing a trustee for a trust in matters involving any ownership or operation of the vessel that may adversely affect the interests of the United States or in removing a trustee for a trust without cause, either directly or indirectly through the control of another person, the trust is not qualified under this paragraph unless the trust instrument provides that persons who are not citizens of the United States may not hold more than 25 percent of the aggregate authority to so direct or remove a trustee.

(C) **OWNERSHIP BY NON-CITIZENS.**—Subparagraphs (A) and (B) do not prohibit a person that is not a citizen of the United States from holding more than 25 percent of the beneficial interest in a trust.

(3) **CITIZENSHIP OF PERSON CHARTERING VESSEL.**—If a person chartering a vessel from a trust that qualifies under paragraph (2) is a citizen of the United States under section 50501 of this title, the vessel is deemed to be owned by a citizen of the United States for purposes of that section and related laws, except chapter 531 of this title.

(d) **ACTIVITIES INVOLVING MOBILE OFFSHORE DRILLING UNITS.**—

(1) **IN GENERAL.**—Only a vessel for which a certificate of documentation with a registry endorsement is issued may engage in—

(A) the setting, relocation, or recovery of the anchors or other mooring equipment of a mobile offshore drilling unit that is located over the outer Continental Shelf (as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a))); or

(B) the transportation of merchandise or personnel to or from a point in the United States from or to a mobile offshore drilling unit located over the outer Continental Shelf that is not attached to the seabed.

(2) **COASTWISE TRADE NOT AUTHORIZED.**—Nothing in paragraph (1) authorizes the employment in the coastwise trade of a vessel that does not meet the requirements of section 12112 of this title.

(Pub. L. 109–304, § 5, Oct. 6, 2006, 120 Stat. 1494; Pub. L. 109–241, title III, § 310, July 11, 2006, 120 Stat. 529; Pub. L. 110–181, div. C, title XXXV, § 3525(a)(1), (b), Jan. 28, 2008, 122 Stat. 600, 601.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
12111(a) .....	46:12105(a).	
12111(b) .....	46:12105(b).	

HISTORICAL AND REVISION NOTES—CONTINUED

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
12111(c) .....	46:12102(d).	

**Editorial Notes**

PRIOR PROVISIONS

A prior section 12111, Pub. L. 98–89, Aug. 26, 1983, 97 Stat. 588; Pub. L. 100–710, title I, § 103(a), Nov. 23, 1988, 102 Stat. 4749; Pub. L. 104–324, title III, § 301(d)(2)(A), Oct. 19, 1996, 110 Stat. 3916; Pub. L. 107–295, title II, § 205(c), Nov. 25, 2002, 116 Stat. 2096, originally derived from section 650 of former Title 46, Shipping, related to surrender and invalidation of certificates of documentation, prior to the general amendment of this chapter by Pub. L. 109–304. See sections 12135 and 12136 of this title.

AMENDMENTS

2008—Pub. L. 110–181, § 3525(b), repealed Pub. L. 109–241, § 310. See 2006 Amendment note below.

Subsec. (d). Pub. L. 110–181, § 3525(a)(1), incorporated the substance of the amendment by Pub. L. 109–241, § 310, into this section by adding subsec. (d). See 2006 Amendment note below and section 18(a) of Pub. L. 109–304, set out as a Legislative Purpose and Construction note preceding section 101 of this title.

2006—Pub. L. 109–241, § 310, which directed the amendment of former section 12105 of this title from which this section was derived in part, was repealed by Pub. L. 110–181, § 3525(b). See 2008 Amendment note for subsec. (d) and Historical and Revision notes above.

**§ 12112. Coastwise endorsement**

(a) **REQUIREMENTS.**—A coastwise endorsement may be issued for a vessel that—

(1) satisfies the requirements of section 12103 of this title;

(2)(A) was built in the United States; or

(B) if not built in the United States—

(i) was captured in war by citizens of the United States and lawfully condemned as prize;

(ii) was adjudged to be forfeited for a breach of the laws of the United States; or

(iii) qualifies as a wrecked vessel under section 12107 of this title; and

(3) otherwise qualifies under the laws of the United States to engage in the coastwise trade.

(b) **AUTHORIZED ACTIVITY.**—Subject to the laws of the United States regulating the coastwise trade, a vessel for which a coastwise endorsement is issued may engage in the coastwise trade.

(Pub. L. 109–304, § 5, Oct. 6, 2006, 120 Stat. 1495.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
12112(a) .....	46:12106(a).	
12112(b) .....	46:12106(b).	

In subsection (b), the word “only” is omitted because section 12102(a), as revised by the bill, contains a general requirement for appropriate documentation to engage in any trade.

**Editorial Notes**

PRIOR PROVISIONS

A prior section 12112, Pub. L. 98–89, Aug. 26, 1983, 97 Stat. 588; Pub. L. 100–710, title I, § 104(a)(4), Nov. 23, 1988,

102 Stat. 4750; Pub. L. 101-225, title III, §301(a)(11), Dec. 12, 1989, 103 Stat. 1922, originally derived from section 65p of former Title 46, Shipping, related to vessels procured outside the United States, prior to the general amendment of this chapter by Pub. L. 109-304. See section 12115 of this title.

#### Statutory Notes and Related Subsidiaries

##### CERTAIN VESSELS ENGAGED IN ALASKA COASTWISE TRADE

Pub. L. 108-293, title VI, §608(b), Aug. 9, 2004, 118 Stat. 1056, provided that:

“(1) IN GENERAL.—Notwithstanding any other provision of law, a person shall be treated as a citizen of the United States under section 12102(a) [now section 12103(a), (b)] of title 46, United States Code, section 2 of the Shipping Act, 1916 [(former) 46 U.S.C. App. 802] [see 46 U.S.C. 50501], and section 27 of the Merchant Marine Act, 1920 [(former) 46 U.S.C. App. 883] [see Disposition Table preceding section 101 of this title], for purposes of issuance of a coastwise endorsement under section 12106(e) of title 46, United States Code (as that section was in effect on the day before the date of enactment of this Act [Aug. 9, 2004]), for a vessel owned by the person on the date of enactment of this Act, or any replacement vessel of a similar size and function, if the person—

“(A) owned a vessel before January 1, 2001, that had a coastwise endorsement under [(former) section 12106(e) of title 46, United States Code; and

“(B) as of the date of the enactment of this Act [Aug. 9, 2004], derives substantially all of its revenue from leasing vessels engaged in the transportation or distribution of petroleum products and other cargo in Alaska.

“(2) LIMITATION ON COASTWISE TRADE.—A vessel owned by a person described in paragraph (1) for which a coastwise endorsement is issued under [(former) section 12106(e) of title 46, United States Code, may be employed in the coastwise trade only within Alaska and in the coastwise trade to and from Alaska.

“(3) TERMINATION.—The application of this subsection to a person described in paragraph (1) shall terminate if all of that person’s vessels described in paragraph (1) are sold to a person eligible to document vessels under section 12106(a) [now section 12112(a)] of title 46, United States Code.”

#### § 12113. Fishery endorsement

(a) REQUIREMENTS.—A fishery endorsement may be issued for a vessel that—

(1) satisfies the requirements of section 12103 of this title and, if owned by an entity, the entity satisfies the ownership requirements in subsection (c);

(2) was built in the United States;

(3) if rebuilt, was rebuilt in the United States;

(4) was not forfeited to the United States Government after July 1, 2001, for a breach of the laws of the United States; and

(5) otherwise qualifies under the laws of the United States to engage in the fisheries.

(b) AUTHORIZED ACTIVITY.—

(1) IN GENERAL.—Subject to the laws of the United States regulating the fisheries, a vessel for which a fishery endorsement is issued may engage in the fisheries.

(2) USE BY PROHIBITED PERSONS.—A fishery endorsement is invalid immediately if the vessel for which it is issued is used as a fishing vessel while it is chartered or leased to an individual who is not a citizen of the United States or to an entity that is not eligible to own a vessel with a fishery endorsement.

(c) OWNERSHIP REQUIREMENTS FOR ENTITIES.—

(1) IN GENERAL.—A vessel owned by an entity is eligible for a fishery endorsement only if at least 75 percent of the interest in the entity, at each tier of ownership and in the aggregate, is owned and controlled by citizens of the United States.

(2) DETERMINING 75 PERCENT INTEREST.—In determining whether at least 75 percent of the interest in the entity is owned and controlled by citizens of the United States under paragraph (1), the Secretary shall apply section 50501(d) of this title, except that for this purpose the terms “control” or “controlled”—

(A) include the right to—

(i) direct the business of the entity;

(ii) limit the actions of or replace the chief executive officer, a majority of the board of directors, any general partner, or any person serving in a management capacity of the entity; or

(iii) direct the transfer, operation, or manning of a vessel with a fishery endorsement; but

(B) do not include the right to simply participate in the activities under subparagraph (A), or the exercise of rights under loan or mortgage covenants by a mortgagee eligible to be a preferred mortgagee under section 31322(a) of this title, except that a mortgagee not eligible to own a vessel with a fishery endorsement may only operate such a vessel to the extent necessary for the immediate safety of the vessel or for repairs, drydocking, or berthing changes.

(3) EXCEPTIONS.—This subsection does not apply to a vessel when it is engaged in the fisheries in the exclusive economic zone under the authority of the Western Pacific Fishery Management Council established under section 302(a)(1)(H) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1852(a)(1)(H)) or to a purse seine vessel when it is engaged in tuna fishing in the Pacific Ocean outside the exclusive economic zone or pursuant to the South Pacific Regional Fisheries Treaty, provided that the owner of the vessel continues to comply with the eligibility requirements for a fishery endorsement under the Federal law that was in effect on October 1, 1998. A fishery endorsement issued pursuant to this paragraph is valid for engaging only in the activities described in this paragraph.

(d) REQUIREMENTS BASED ON LENGTH, TONNAGE, OR HORSEPOWER.—

(1) APPLICATION.—This subsection applies to a vessel that—

(A) is greater than 165 feet in registered length;

(B) is more than 750 gross registered tons as measured under chapter 145 of this title or 1,900 gross registered tons as measured under chapter 143 of this title; or

(C) has an engine or engines capable of producing a total of more than 3,000 shaft horsepower.

(2) REQUIREMENTS.—A vessel subject to this subsection is not eligible for a fishery endorsement unless—