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TABLE 1 TO § 67.550—FEES—Continued

Activity	Fee
Certificate of Compliance:	
Certificate of Compliance (46 CFR Part 68)	55.00
Miscellaneous:	
Abstract of Title (CG–1332)	25.00
Certificate of Ownership (CG–1330)	125.00
Attachment for each vessel with same data	10.00
Certified Copy of Recorded Instrument	4.00
Certified Copy of Certificate of Documentation	4.00
Copy of instrument or document	(5)

[1] When multiple trade endorsements are requested on the same application, only the single highest applicable fee will be charged, resulting in a maximum endorsement fee of $29.00. This does not apply to recreational endorsements.
[2] Late renewal fee is in addition to the cost of the endorsement sought.
[3] 2–5 Year Expiration (Additional Fee Required—$26.00/year).
[4] Per page.
[5] Fees will be calculated in accordance with 6 CFR part 5, subpart A.

[USCG–2020–0215, 86 FR 5031, Jan. 19, 2021, as amended by USCG–2023–0305, 88 FR 77902, Nov. 14, 2023]

PART 68—DOCUMENTATION OF VESSELS: EXCEPTIONS TO COASTWISE QUALIFICATION

Subpart A—Regulations for Engaging in Limited Coastwise Trade

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AUTHORITY: 14 U.S.C. 946; 31 U.S.C. 9701; 42 U.S.C. 9118; 46 U.S.C. 2103, 2110; 46 U.S.C. app. 876; Department of Homeland Security Delegation No. 0170.1.

SOURCE: CGD 80–107, 47 FR 27511, June 24, 1982, unless otherwise noted.

Subpart A—Regulations for Engaging in Limited Coastwise Trade

SOURCE: CGD 80–107, 47 FR 27511, June 24, 1982. Redesignated and amended by USCG–2005–20258, 71 FR 61418, 61419, Oct. 18, 2006, unless otherwise noted.

§ 68.1 Purpose of subpart.

This subpart contains citizen ownership requirements and procedures to allow documentation of vessels that do not meet the requirements of part 67 of this chapter. The requirements are for corporations engaged in a manufacturing or mineral industry in the United States.

[USCG–2005–20258, 71 FR 61419, Oct. 18, 2006]

§ 68.3 Definitions for the purposes of this subpart.

Act means the Act of September 2, 1958 (46 U.S.C. App. 883–1).

883–1 citizen or *883–1 corporation* means a corporation which qualifies for the special citizenship status created by the Act of September 2, 1958 (46 U.S.C. App. 883–1).

Parent corporation means one incorporated under the laws of the United States, or any state, territory, or district of the United States, which controls (directly or indirectly) at least 50 percent of the voting stock of another corporation.

Subsidiary corporation means one incorporated under the laws of the United States, or any state, territory, or district of the United States, which has not less than 50 percent of its voting stock controlled (directly or indirectly) by another corporation.

[CGD 80–107, 47 FR 27511, June 24, 1982, as amended by CGD 95–028, 62 FR 51203, Sept. 30, 1997. Redesignated by USCG–2005–20258, 71 FR 61418, Oct. 18, 2006]

§ 68.5 Requirements for citizenship under 46 U.S.C. App. 883–1.

A corporation seeking to establish its citizenship under the Act of September 2, 1958 (46 U.S.C. App. 883–1) must meet the following criteria as specified in the Act:

(a) It must be incorporated under the laws of the United States, or any state, territory, district, or possession of the United States;

(b) A majority of the officers and directors of the corporation must be citizens of the United States;

(c) Not less than 90 percent of the employees of the corporation must be residents of the United States;

(d) Such corporation must be engaged primarily in a manufacturing or mineral industry in the United States or any territory, district, or possession of the United States;

(e) The aggregate book value of the vessels owned by the corporation must not exceed 10 percent of the aggregate book value of the assets of the corporation; and

(f) The corporation must purchase or produce in the United States, its territories or possessions, not less than 75 percent of the raw materials used or sold in its operations.

NOTE: A corporation which qualifies as an 883–1 citizen by meeting the criteria in paragraph (a) of this section is not thereby precluded from qualifying as a citizen under any

definition in part 67 upon compliance with all applicable requirements.

[CGD 80–107, 47 FR 27494, June 24, 1982, as amended at 47 FR 35488, Aug. 16, 1982; CGD 95–028, 62 FR 51203, Sept. 30, 1997. Redesignated by USCG–2005–20258, 71 FR 61418, Oct. 18, 2006]

§ 68.7 Qualification as an 883–1 corporation.

(a) To be formally qualified as an 883–1 corporation for all purposes under the Act, a corporation which meets the requirements of § 68.5 must file with the Director, National Vessel Documentation Center a certificate under oath as described in appendix A.

(b) Upon the filing of the certificate required under paragraph (a) of this section, the Director, National Vessel Documentation Center will furnish the corporation a Certificate of Compliance which is valid for a period of 3 years from the date of its issuance, unless there is a change in corporate status requiring a report under § 68.11(a). On or before the date of expiration of the Certificate of Compliance, a new certificate under oath as described in appendix A of this subpart must be filed with the Director, National Vessel Documentation Center.

(Approved by the Office of Management and Budget under control number 1625–0027)

[CGD 89–007; CGD 89–007a, 58 FR 60266, Nov. 15, 1993, 58 FR 65131, Dec. 13, 1993, as amended by CGD 95–014, 60 FR 31605, June 15, 1995; USCG–1999–6216, 64 FR 53225, Oct. 1, 1999; USCG–2002–13058, 67 FR 61279, Sept. 30, 2002; USCG–2006–25697, 71 FR 55746, Sept. 25, 2006. Redesignated and amended by USCG–2005–20258, 71 FR 61418, 61419, Oct. 18, 2006]

§ 68.9 Qualification as a parent or subsidiary.

(a) To be formally qualified as a parent corporation, as defined in § 68.3, a corporation must file with the Director, National Vessel Documentation Center a certificate under oath as described in appendix B of this subpart.

(b) To be formally qualified as subsidiary corporation as defined in § 68.3, a corporation must file with the Director, National Vessel Documentation Center a certificate under oath as described in appendix B of this subpart.

(c) Upon the filing of the certificate required under paragraph (a) or (b) of this section, the Director, National Vessel Documentation Center will furnish the corporation a certificate of parent or subsidiary status which is valid for a period of 3 years from the date of its issuance unless there is a change in corporate status requiring a report under § 68.11(a). On or before the date of expiration of the certificate of parent or subsidiary status, a new certificate under oath as described in appendix B of this subpart must be filed with the Director, National Vessel Documentation Center.

[CGD 89–007, CGD 89–007a, 58 FR 60266, Nov. 15, 1993; 58 FR 65131, Dec. 13, 1993, as amended by CGD 95–014, 60 FR 31605, June 15, 1995; USCG–1999–6216, 64 FR 53225, Oct. 1, 1999; USCG–2002–13058, 67 FR 61279, Sept. 30, 2002. Redesignated and amended by USCG–2005–20258, 71 FR 61418, 61419, Oct. 18, 2006]

§ 68.11 Cessation of qualification.

(a) If after filing the certificate required by § 68.7, a change occurs whereby an 883–1 corporation no longer meets the criteria in § 68.5(a), that corporation's qualification for the privileges enumerated in §§ 68.13 and 68.15 is terminated effective as of the date and time of the change. The corporation must report the change in writing to the Director, National Vessel Documentation Center.

(b) If, after filing the certificate required by § 68.9, a change occurs whereby the corporation is no longer entitled to be deemed a parent or subsidiary corporation, that corporation's qualification for the privileges in §§ 68.13 and 68.15 is terminated effective as of the date and time of the change. The corporation must report such change in writing to the Director, National Vessel Documentation Center.

[CGD 89–007, CGD 89–007a, 58 FR 60266, Nov. 15, 1993; 58 FR 65131, Dec. 13, 1993, as amended by CGD 95–014, 60 FR 31605, June 15, 1995; USCG–1999–6216, 64 FR 53225, Oct. 1, 1999. Redesignated and amended by USCG–2005–20258, 71 FR 61418, 61419, Oct. 18, 2006]

§ 68.13 Privileges conferred—documentation of vessel.

The special citizenship status created by the Act entitles the 883–1 corporation to document certain vessels for certain limited purposes:

(a) An 883–1 corporation may document under the Act only vessels which

are qualified for employment in the coastwise trade and which are either non-self propelled or, if self-propelled, are of less than 500 gross tons.

(b) A vessel owned by an 883–1 corporation and meeting the criteria in paragraph (a) of this section may be documented only for use in the coastwise trade subject to the restrictions in § 68.17.

(c) Section 68.19 contains details concerning the documentation of vessels by an 883–1 corporation.

[CGD 80–107, 47 FR 27511, June 24, 1982. Redesignated and amended by USCG–2005–20258, 71 FR 61418, Oct. 18, 2006]

§ 68.15 Privileges conferred—operation of vessels.

(a) The special citizenship status created by the Act entitles the 883–1 corporation to operate, subject to the restrictions in § 68.17, vessels which are qualified to engage in the coastwise trade and are exempt from documentation. (See § 67.9 for classes of exempt vessels.)

(b) Vessels, documented or exempt from documentation, employed subject to the Act may carry passengers and merchandise of the 883–1 corporation owning such vessels only between points in the United States, including territories, districts, and possessions thereof embraced in the coastwise laws.

(c) The special citizenship status created by the Act entitles an 883–1 corporation owning vessels as described in paragraphs (a) and (b) of this section to transport merchandise or passengers for hire in the coastwise trade as a service for a duly qualified parent or subsidiary corporation as defined in § 68.3.

(d) The special citizenship status created by the Act entitles an 883–1 corporation owning vessels as described in paragraphs (a) and (b) of this section to demise or bareboat charter such vessels to common or contract carriers subject to the restrictions in § 68.17(c).

[CGD 80–107, 47 FR 27511, June 24, 1982, as amended by USCG–2002–13058, 67 FR 61279, Sept. 30, 2002. Redesignated and amended by USCG–2005–20258, 71 FR 61418, Oct. 18, 2006]

§ 68.17 Restrictions.

(a) Vessels employed subject to the Act are entitled to operation only in the coastwise trade and only to the extent described in paragraphs (b) and/or (c) of this section.

(b) A vessel owned by an 883–1 corporation may engage in coastwise transportation for hire as a service to a parent or subsidiary corporation as defined in § 68.3. Such transportation for hire must be between points of the United States, including territories, districts, and possessions thereof embraced in the coastwise laws.

(c) A vessel owned by an 883–1 corporation may be operated under demise or bareboat charter to a common or a contract carrier subject to 49 U.S.C. chapter 101 if the corporation is a U.S. citizen as defined in 46 U.S.C. App. 802.

(1) Such common or contract carrier may not be connected either directly or indirectly by ownership or control with the 883–1 corporation.

(2) The demise or bareboat charter must be at prevailing rates.

(3) The vessels under a demise or bareboat charter may not be used in non-contiguous trade.

[CGD 80–107, 47 FR 27511, June 24, 1982, as amended by CGD 95–028, 62 FR 51203, Sept. 30, 1997. Redesignated and amended by USCG–2005–20258, 71 FR 61418, Oct. 18, 2006]

§ 68.19 Application by an 883–1 corporation to document a vessel.

(a) An application by an 883–1 corporation to document a vessel must comply with the applicable requirements in subparts A, D, E, F, G, H, I, K, and L of part 67 of this chapter.

(b) An application by an 883–1 corporation to document a vessel must include a copy of the Certificate of Compliance issued under § 68.7.

[CGD 95–014, 60 FR 31606, June 15, 1995. Redesignated and amended by USCG–2005–20258, 71 FR 61418, Oct. 18, 2006]

APPENDIX A TO SUBPART A OF PART 68—OATH FOR QUALIFICATION OF CORPORATION AS A CITIZEN OF THE UNITED STATES UNDER THE ACT OF SEPTEMBER 2, 1958 (46 U.S.C. APP. 883–1)

Department of Homeland Security, U.S. Coast Guard

Oath for Qualification of Corporation as a Citizen of the United States Under the Act of September 2, 1958 (46 U.S.C. app. 883–1)

Corporation:
Name _____
Address[1] _____
State where incorporated _____
Affiant:
Name _____
Address _____
Company _____
Title or capacity _____

I, the affiant named above, swear that I am legally authorized to make this oath on behalf of the corporation, that a majority of the officers and directors of the above-named corporation are citizens of the United States, as shown by the attached listing incorporated in and made a part of this oath which truly and correctly names all such officers and directors, giving the home address and citizenship of each; that not less than 90 percent of the employees of the corporation are residents of the United States; that the corporation is engaged primarily in a manufacturing or mineral industry in the United States or in a territory, district or possession thereof; that the aggregate book value of the vessels owned by the corporation does not exceed 10 percent of the aggregate book value of the assets of the corporation; and that the corporation purchases or produces in the United States, its territories or possessions not less than 75 percent of the raw materials used or sold in its operation.[2]

The above named corporation fails to qualify as a citizen within the meaning of § 67.39(c) of this chapter by reason of:[3]

_____Non-citizen President
_____Non-citizen Chairman of Board
_____Failure to meet quorum requirements
_____Failure to meet stock ownership requirements

Signature _____

Subscribed and sworn to before me on the day and year shown

_____
(Notary Public)
Date _____

[1] Show principal place of business of corporation.

[2] Attach the required list of the names of all officers and directors of the corporation, giving the home address and citizenship of each.

[3] Check appropriate line or lines.

[CGD 80–107, 47 FR 27511, June 24, 1982, as amended by USCG–2002–13058, 67 FR 61279, Sept. 30, 2002; USCG–2003–14505, 68 FR 9535, Feb. 28, 2003. Redesignated and amended by USCG–2007–28098, 71 FR 61418, 61419, Oct. 18, 2006]

APPENDIX B TO SUBPART A OF PART 68—OATH OF PARENT OR SUBSIDIARY CORPORATION ACT OF SEPTEMBER 2, 1958 (46 U.S.C. APP. 883–1)

Department of Homeland Security, U.S. Coast Guard

Oath of Parent or Subsidiary Corporation, Act of September 2, 1958 (46 U.S.C. app. 883–1)

Corporation:
Name _____
Address _____
State of incorporation _____
Status (Parent)[1]_____ (Subsidiary)[2]_____
Name of associated corporation _____
Address _____
State where incorporated _____
Affiant:
Name _____
Address _____
Company _____
Title or capacity _____

I, the affiant named above, swear that the corporation first named herein is the (parent)[1] (subsidiary)[2] of the associated corporation named, that I am the duly authorized officer or agent of the corporation first named, and that the associated corporation has previously established that it is a citizen within the meaning of the Act of September 2, 1958 (46 U.S.C. app. 883–1).

Signature _____

Subscribed and sworn to before me on the day and year shown

_____

[1] A ''parent corporation'' for the purposes of this oath is one incorporated under the laws of the United States, or any State, territory, or district of the United States, which controls (directly or indirectly) at least 50 percent of the voting stock of another corporation. Strike out the inapplicable term.

[2] A ''subsidiary corporation'' for the purposes of this oath is one incorporated under the laws of the United States, or any State, territory, or district of the United States, which has not less than 50 percent of its voting stock controlled (directly or indirectly) by another corporation. Strike out the inapplicable term.

(Notary Public)

[CGD 80–107,47 FR 27511, June 24, 1982, as amended by USCG–2003–14505, 68 FR 9535, Feb. 28, 2003. Redesignated and amended by USCG–2007–28098, 71 FR 61418, 61419, Oct. 18, 2006]

Subpart B—Documentation of Certain Vessels for Oil Spill Cleanup

SOURCE: CGD 90–055, 57 FR 7642, Mar. 3, 1992. Redesignated by USCG–2005–20258, 71 FR 61418, Oct. 18, 2006, unless otherwise noted.

§ 68.25 Purpose and scope.

This subpart contains citizen ownership requirements and procedures to allow documentation of vessels which do not meet the requirements of part 67 of this chapter. The requirements are for the limited purposes of training for, implementing, and supporting oil spill cleanup operations.

[CGD 90–055, 57 FR 7642, Mar. 3, 1992. Redesignated by USCG–2005–20258, 71 FR 61418, Oct. 18, 2006]

§ 68.27 Definitions for purposes of this subpart.

Certificate of Documentation means form CG–1270.

Citizen means a citizen as described in part 67 of this chapter.

Exclusive Economic Zone or *EEZ* means the exclusive economic zone established by Presidential Proclamation Numbered 5030, dated March 10, 1983, including the ocean waters of the areas referred to as ''eastern special areas'' in Article 3(1) of the Agreement between the United States of America and the Union of Soviet Socialist Republics on the Maritime Boundary, signed June 1, 1990.

Not-for-profit oil spill response cooperative means a corporation, partnership, association, trust, joint venture, or other entity established under the laws of the United States, or of a State, with a not-for-profit status and for the limited purposes of training for, carrying out, and supporting oil spill cleanup operations or related research activities.

[CGD 90–055, 57 FR 7642, Mar. 3, 1992. Redesignated by USCG–2005–20258, 71 FR 61418, Oct. 18, 2006]

§ 68.29 Citizenship requirements for limited coastwise endorsement.

(a) Notwithstanding the citizenship requirements set out in part 67 of this chapter, a Certificate of Documentation with a coastwise endorsement for the limited purposes provided in § 68.33 may be issued to a vessel owned by—

(1) A not-for-profit oil spill response cooperative if the vessel meets the requirements of paragraph (b) of this section; or

(2) A member or members of a not-for-profit oil spill response cooperative if the vessel meets the requirements of paragraphs (b) and (c) of this section.

(b) The vessel must be at least 50 percent owned by one or more of the following entities:

(1) An individual who is a native-born, naturalized or derivative citizen of the United States or otherwise qualifies as a United States citizen.

(2) A corporation incorporated under the laws of the United States or of a State where—

(i) The president and, if the president is not the chief executive officer, the chief executive officer, by whatever title, is a citizen;

(ii) The chairman of the board of directors is a citizen; and

(iii) No more of the directors are non-citizens than a minority of the number necessary to constitute a quorum.

(3) A partnership where all the general partners are citizens and at least 50 percent of the equity interest is owned by citizens.

(4) An association or joint venture where all the members are citizens.

(5) A trust where all the trustees and all the beneficiaries with an enforceable interest in the trust are citizens.

(c) The vessel must be owned by a member or members of a not-for-profit oil spill response cooperative who dedicate the vessel to the use of a not-for-profit oil spill response cooperative.

(d) A vessel which meets the criteria of this section is considered to be owned exclusively by citizens of the United States for the purposes of subsequent transfer and documentation under part 67 of this chapter.

[CGD 90–055, 57 FR 7642, Mar. 3, 1992. Redesignated and amended by USCG–2005–20258, 71 FR 61418, Oct. 18, 2006]

§ 68.31 Vessel eligibility requirements for limited coastwise endorsement.

(a) A vessel must comply with all the requirements of part 67 of this chapter, other than citizenship requirements, in order to be eligible for documentation under this subpart.

(b) Notwithstanding 46 U.S.C. App. 883, a vessel remains eligible for documentation under this subpart even if the vessel was formerly owned by a not-for-profit oil spill response cooperative or by one or more members of a not-for-profit oil spill response cooperative and the vessel meets the criteria of § 68.29.

[CGD 90–055, 57 FR 7642, Mar. 3, 1992. Redesignated and amended by USCG–2005–20258, 71 FR 61418, Oct. 18, 2006]

§ 68.33 Privileges of a limited coastwise endorsement.

(a) A vessel which is documented and issued a limited coastwise endorsement under this subpart may operate on the navigable waters of the United States or in the EEZ in coastwise trade only for the following purposes:

(1) To recover oil discharged into the water.

(2) To transport oil discharged into the water.

(3) To transport and deploy equipment, supplies, and personnel for recovering and transporting oil discharged into the water.

(4) To conduct training exercises to prepare for performing the functions in paragraphs (a)(1) through (a)(3) of this section.

(b) This limited coastwise endorsement also entitles the vessel to any other employment for which a registry or fishery license is not required.

(c) A vessel which is documented and issued a limited coastwise endorsement under this subpart may qualify to operate for other purposes by meeting the applicable requirements of part 67 of this chapter.

[CGD 90–055, 57 FR 7642, Mar. 3, 1992. Redesignated by USCG–2005–20258, 71 FR 61418, Oct. 18, 2006; USCG–2009–0702, 74 FR 49230, Sept. 25, 2009]

§ 68.35 Application to document a vessel under this subpart.

(a) To qualify to document a vessel or to accept the dedication of a vessel by a member or members under this subpart, a not-for-profit oil spill response cooperative shall file with the Director, National Vessel Documentation Center the certificate under oath as set forth in appendix A to this subpart.

(b) Upon the filing of the certificate under paragraph (a) of this section, the Director, National Vessel Documentation Center will furnish the not-for-profit oil spill response cooperative with a letter of qualification. The letter of qualification is valid for a period of three years from the date of its issuance, unless there is a change in membership or structure of the not-for-profit oil spill response cooperative or a change in the citizenship status of any of its members requiring a report under § 68.37. In order to renew the letter of qualification, a new certificate under oath must be filed with the Commandant at least 30 days before the date of expiration of the letter of qualification.

(c) A not-for-profit oil spill response cooperative seeking to document a vessel for a limited coastwise endorsement under this subpart, in addition to complying with the requirements of § 68.31(a), shall supply to the National Vessel Documentation Center, a copy of the letter of qualification issued under paragraph (b) of this section.

(d) A member or members of a not-for-profit oil spill response cooperative seeking to document a vessel under this subpart shall supply to the National Vessel Documentation Center, a copy of the letter of qualification issued under paragraph (b) of this section to the not-for-profit oil spill response cooperative to which the vessel is dedicated. In addition, the not-for-profit oil spill response cooperative and the vessel owners shall all certify under oath that the vessel for which application is made is dedicated to use by the not-for-profit oil spill response cooperative. This certification must use the format and content described in appendix B to this subpart. If there is a change in the dedicated status of

the vessel or its ownership, a report under § 68.37 must be filed.

[CGD 89–007; CGD 89–007a, 58 FR 60266, Nov. 15, 1993, 58 FR 65131, Dec. 13, 1993, as amended by CGD 95–014, 60 FR 31606, June 15, 1995; USCG–1999–6216, 64 FR 53225, Oct. 1, 1999. Redesignated and amended by USCG–2005–20258, 71 FR 61418, Oct. 18, 2006]

§ 68.37 Cessation of qualifications.

(a) If the vessel is owned by a not-for-profit oil spill response cooperative and a change occurs which affects the validity of the certificate required by § 68.35(a), or the ownership of the vessel changes so that it no longer meets the criteria of § 68.29, the qualification for the privileges enumerated in § 68.33 is terminated effective as of the date and time of the change. The not-for-profit oil spill response cooperative shall report the change in writing to the Director, National Vessel Documentation Center.

(b) If the vessel is owned by a member or members of a not-for-profit oil spill response cooperative and a change occurs which affects the validity of the certificate required by § 68.35(a), or the ownership of the vessel changes so that it no longer meets the criteria of § 68.29, the qualification of the member or members for the privileges enumerated in § 68.33 is terminated effective as of the date and time of the change. The member or members shall report the change in writing to the Director, National Vessel Documentation Center.

(c) When qualifications are terminated under this section, the certificate of documentation issued under this subpart must be surrendered or exchanged in accordance with part 67 of this chapter.

[CGD 89–007; CGD 89–007a, 58 FR 60266, Nov. 15, 1993, 58 FR 65131, Dec. 13, 1993, as amended by CGD 95–014, 60 FR 31606, June 15, 1995; USCG–1999–6216, 64 FR 53225, Oct. 1, 1999. Redesignated and amended by USCG–2005–20258, 71 FR 61418, Oct. 18, 2006]

APPENDIX A TO SUBPART B OF PART 68—OATH FOR QUALIFICATION OF A NOT-FOR-PROFIT OIL SPILL RESPONSE COOPERATIVE

Department of Homeland Security, U.S. Coast Guard

Oath for Qualification of a Not-For-Profit Oil Spill Response Cooperative [46 U.S.C. 12106(d)]

Cooperative:

Name _____

Address _____

Jurisdiction where incorporated or organized _____

_____

Affiant:

Name _____

Address _____

Cooperative _____

Title or Capacity _____

I, the affiant, swear that I am legally authorized to make this oath and hold the capacity so bestowed upon me as _____, on behalf of the _____ cooperative and its members, that it is a not-for-profit cooperative, and that it is engaged in training for, carrying out, or supporting oil spill cleanup operations or related research activities.

That all members of the cooperative who may use the letter of qualification issued to this cooperative are truly and correctly named, including home address and citizenship of each on the attached listing incorporated in and made a part of this oath.

Signature _____

Subscribed and sworn to before me on the day and year shown.

_____

(Notary Public)

Date _____

[CGD 90–055, 57 FR 7642, Mar. 3, 1992, as amended by USCG–2003–14505, 68 FR 9535, Feb. 28, 2003. Redesignated by USCG–2007–28098, 71 FR 61418, Oct. 18, 2006]

APPENDIX B TO SUBPART B OF PART 68—OATH FOR DOCUMENTATION OF VESSELS FOR USE BY A NOT-FOR-PROFIT OIL SPILL RESPONSE COOPERATIVE

Department of Homeland Security, U.S. Coast Guard

Oath for Documentation of Vessels For Use by a Not-For-Profit Oil Spill Response Cooperative [46 U.S.C. 12106(d)]

Cooperative:

Name _____

Address _____

Jurisdiction where incorporated or organized _____

I, the undersigned officer of _____, a not-for-profit oil spill response cooperative, swear that I am legally authorized to make this oath on behalf of the cooperative, and its members and that the cooperative has accepted the vessel _____.

I/we _____, am/are the owner(s) of the vessel. I/we further swear that the vessel has been dedicated to the exclusive use of the cooperative for the purpose of training for, carrying out, or supporting oil spill cleanup operations or related research activities for discharges of oil into the navigable waters of the United States and the Exclusive Economic Zone and that the cooperative has accepted the vessel.

For the Cooperative:

Name _____

Address _____

Cooperative _____

Title or Capacity _____

For Each Vessel Owner:

Name _____

Cooperative _____

Title or Capacity _____

Subscribed and sworn to before me on the day and year shown.

_____

(Notary Public)

Date _____

[CGD 90–055, 57 FR 7642, Mar. 3, 1992, as amended by USCG–2003–14505, 68 FR 9535, Feb. 28, 2003. Redesignated by USCG–2007–28098, 71 FR 61418, Oct. 18, 2006]

Subpart C—Vessels With a Coastwise Endorsement Issued on or After August 9, 2004, That Are Demised Chartered to Coastwise Qualified Citizens

SOURCE: USCG–2005–20258, 71 FR 61419, Oct. 18, 2006, unless otherwise noted.

§ 68.50 Purpose and applicability.

(a) This subpart contains requirements, in addition to those in part 67 of this chapter, for obtaining a coastwise endorsement for a U.S.-built vessel—

(1) That is owned by a person that qualifies as a citizen under § 67.35(a), § 67.36(a), § 67.37, or § 67.39(a) of this chapter; and

(2) That is demise chartered to a coastwise qualified citizen under § 67.33, § 67.35(c), § 67.36(c), § 67.37, § 67.39(c), or § 67.41 of this chapter.

(b) This subpart applies to a vessel with a coastwise endorsement issued on or after August 9, 2004. It does not apply to a vessel under subpart D of this part.

§ 68.55 Definitions.

In addition to the terms defined in § 67.3 of this chapter, as used in this subpart—

Affiliate means, with respect to any person, any other person that is—

(1) Directly or indirectly controlled by, under common control with, or controlling that person; or

(2) Named as being part of the same consolidated group in any report or other document submitted to the United States Securities and Exchange Commission or the Internal Revenue Service.

Cargo does not include cargo to which title is held for non-commercial reasons and primarily for the purpose of evading the requirements of § 68.65(a)(2).

Oil has the meaning given that term in 46 U.S.C. 2101(20).

Operation or management, for vessels, means all activities related to the use of vessels to provide services. These activities include, but are not limited to, ship agency; ship brokerage; activities performed by a vessel operator or demise charterer in exercising direction and control of a vessel, such as crewing, victualing, storing, and maintaining the vessel and ensuring its safe navigation; and activities associated with controlling the use and employment of the vessel under a time charter or other use agreement. It does not include activities directly associated with making financial investments in vessels or the receipt of earnings derived from these investments.

Passive investment means an investment in which neither the investor nor any affiliate of the investor is involved in, or has the power to be involved in, the formulation, determination, or direction of any activity or function concerning the use, operation, or management of the asset that is the subject of the investment.

Qualified proprietary cargo means—

(1) Oil, petroleum products, petrochemicals, or liquefied natural gas cargo that is beneficially owned by the person who submits to the Director, National Vessel Documentation Center, an application or annual certification under § 68.65(a)(2), or by an affiliate of that person, immediately before, during, or immediately after the cargo is carried in coastwise trade on a vessel owned by that person;

(2) Oil, petroleum products, petrochemicals, or liquefied natural gas cargo not beneficially owned by the person who submits to the Director, National Vessel Documentation Center, an application or an annual certification under § 68.65(a)(2), or by an affiliate of that person, but that is carried in coastwise trade by a vessel owned by that person and which is part of an arrangement in which vessels owned by that person and at least one other person are operated collectively as one fleet, to the extent that an equal amount of oil, petroleum products, petrochemicals, or liquefied natural gas cargo beneficially owned by that person, or an affiliate of that person, is carried in coastwise trade on one or more other vessels, not owned by that person, or an affiliate of that person, if the other vessel or vessels are also part of the same arrangement;

(3) In the case of a towing vessel associated with a non-self-propelled tank vessel where the two vessels function as a single self-propelled vessel, oil, petroleum products, petrochemicals, or liquefied natural gas cargo that is beneficially owned by the person who owns both the towing vessel and the non-self-propelled tank vessel, or any United States affiliate of that person, immediately before, during, or immediately after the cargo is carried in coastwise trade on either of the two vessels; or

(4) Any oil, petroleum products, petrochemicals, or liquefied natural gas cargo carried on any vessel that is either a self-propelled tank vessel having a length of at least 210 meters (about 689 feet) or a tank vessel that is a liquefied natural gas carrier that—

(i) Was delivered by the builder of the vessel to the owner of the vessel after December 31, 1999; and

(ii) Was purchased by a person for the purpose, and with the reasonable expectation, of transporting on the vessel liquefied natural gas or unrefined petroleum beneficially owned by the owner of the vessel, or an affiliate of the owner, from Alaska to the continental United States.

Sub-charter means all types of charters or other contracts for the use of a vessel that are subordinate to a charter. The term includes, but is not limited to, a demise charter, a time charter, a voyage charter, a space charter, and a contract of affreightment.

United States affiliate means, with respect to any person, an affiliate the principal place of business of which is located in the United States.

§ 68.60 Eligibility of a vessel for a coastwise endorsement under this subpart.

(a) To be eligible for a coastwise endorsement under 46 U.S.C. 12106(e) and to operate in coastwise trade under 46 U.S.C. 12106(e) and 12110(b), a vessel must meet the following:

(1) The vessel is eligible for documentation under 46 U.S.C. 12102.

(2) The vessel is eligible for a coastwise endorsement under § 67.19(c) of this chapter and has not lost coastwise eligibility under § 67.19(d) of this chapter.

(3) The person that owns the vessel (or, if the vessel is owned by a trust or similar arrangement, the beneficiary of the trust or similar arrangement) makes the certification in § 68.65.

(4) The person that owns the vessel has transferred to a qualified U.S. citizen under 46 U.S.C. app. 802 full possession, control, and command of the vessel through a demise charter in which the demise charterer is considered the owner *pro hac vice* during the term of the charter.

(5) The charterer must certify to the Director, National Vessel Documentation Center, that the charterer is a citizen of the United States for engaging in the coastwise trade under 46 U.S.C. app. 802.

(6) The demise charter is for a period of at least 3 years, unless a shorter period is authorized by the Director, National Vessel Documentation Center, under circumstances such as—

(i) When the vessel's remaining life would not support a charter of 3 years; or

(ii) To preserve the use or possession of the vessel.

(b) To apply for a coastwise endorsement for a vessel under a demise charter, see § 68.70 and, for a barge, see § 68.75.

NOTE TO § 68.60: Section 608(b) of Public Law 108–293 provides special requirements for certain vessels in the Alaska trade.

§ 68.65 Annual ownership certification.

(a) At the time of initial application for documentation and at the time for annual renewal of the endorsement as required by § 67.163 of this chapter, the person that owns a vessel with a coastwise endorsement under § 68.60 must certify in writing to the Director, National Vessel Documentation Center—

(1) That the person who owns a vessel with a coastwise endorsement under § 68.60—

(i) Is a leasing company, bank, or financial institution;

(ii) Owns, or holds the beneficial interest in, the vessel solely as a passive investment;

(iii) Does not operate any vessel for hire and is not an affiliate of any person who operates any vessel for hire; and

(iv) Is independent from, and not an affiliate of, any charterer of the vessel or any other person who has the right, directly or indirectly, to control or direct the movement or use of the vessel.

(2) For vessels under paragraph (b) of this section, that—

(i) The aggregate book value of the vessels owned by that person and United States affiliates of that person does not exceed 10 percent of the aggregate book value of all assets owned by that person and its United States affiliates;

(ii) Not more than 10 percent of the aggregate revenues of that person and its United States affiliates is derived from the ownership, operation, or management of vessels;

(iii) At least 70 percent of the aggregate tonnage of all cargo carried by all vessels owned by that person and its United States affiliates and documented under 46 U.S.C. 12106 is qualified proprietary cargo;

(iv) Any cargo other than qualified proprietary cargo carried by all vessels owned by that person and its United States affiliates and documented under 46 U.S.C. 12106 consists of oil, petroleum products, petrochemicals, or liquified natural gas;

(v) No vessel owned by that person or any of its United States affiliates and documented under 46 U.S.C. 12106 carries molten sulphur; and

(vi) That person owned one or more vessels documented as of August 9, 2004, under § 67.20, as that section was in effect on that date.

(b) Paragraph (a)(2) of this section applies only to—

(1) A tank vessel having a tonnage of not less than 6,000 gross tons, as measured under 46 U.S.C. 14502 (or an alternative tonnage measured under 46 U.S.C. 14302 as prescribed under 46 U.S.C. 14104); or

(2) A towing vessel associated with a non-self-propelled tank vessel that meets the requirements of paragraph (b)(1) of this section, where the two vessels function as a single self-propelled vessel.

NOTE TO § 68.65: The Secretary of Transportation may waive or reduce the qualified proprietary cargo requirement of § 68.65(a)(2)(iii) for a vessel if the person that owns the vessel (or, if the vessel is owned by a trust or similar arrangement, the beneficiary of the trust or similar arrangement) notifies the Secretary that circumstances beyond the direct control of the person that owns the vessel or its affiliates prevent, or reasonably threaten to prevent, the person that owns the vessel from satisfying this requirement, and the Secretary does not, with good cause, determine otherwise. The waiver or reduction applies during the period of time that the circumstances exist.

§ 68.70 Application procedure for vessels other than barges to be operated in coastwise trade without being documented.

(a) The person that owns the vessel (other than a barge under § 68.75) and that seeks a coastwise endorsement under § 68.60 must submit the following to the National Vessel Documentation Center:

(1) Application for Initial Issue, Exchange, or Replacement of Certificate of Documentation; or Redocumentation (form CG–1258);

(2) Title evidence, if applicable;

(3) Mortgagee consent on form CG–4593, if applicable;

(4) If the application is for replacement of a mutilated document or for exchange of documentation, the outstanding Certificate of Documentation;

(5) The certification required by § 68.65(a)(1) or, if a vessel under § 68.65(b), the certification required by § 68.65(a)(2);

(6) A certification in the form of an affidavit and, if requested by the Director, National Vessel Documentation Center, supporting documentation establishing the following facts with respect to the transaction from an individual who is authorized to provide certification on behalf of the person that owns the vessel and who is an officer in a corporation, a partner in a partnership, a member of the board of managers in a limited liability company, or their equivalent. The certificate must certify that the person that owns the vessel has transferred to a qualified United States citizen under 46 U.S.C. app. 802 full possession, control, and command of the U.S.-built vessel through a demise charter in which the demise charterer is considered the owner *pro hac vice* during the term of the charter.

(7) A copy of the charter, which must provide that the charterer is deemed to be the owner *pro hac vice* for the term of the charter.

(b) The charterer must submit the following to the National Vessel Documentation Center:

(1) A certificate certifying that the charterer is a citizen of the United States for the purpose of engaging in the coastwise trade under 46 U.S.C. app. 802.

(2) Detailed citizenship information in the format of form CG–1258, Application for Documentation, section G, citizenship. The citizenship information may be attached to the form CG–1258 that is submitted under paragraph (a)(1) of this section and must be signed by, or on behalf of, the charterer.

(c) Whenever a charter submitted under paragraph (a)(7) of this section is amended, the vessel owner must file a copy of the amendment with the Director, National Vessel Documentation Center, within 10 days after the effective date of the amendment.

(d) Whenever the charterer of a vessel under paragraph (a) of this section enters into a sub-charter that is a demise charter with another person for the use of the vessel, the charterer must file a copy of the sub-charter and amendments to the sub-charter with the Director, National Vessel Documentation Center, within 10 days after the effective date of the sub-charter and the sub-charterer must provide detailed citizenship information in the format of form CG–1258, Application for Documentation, section G, citizenship.

(e) Whenever the charterer of a vessel under paragraph (a) of this section enters into a sub-charter other than a demise charter with another person for the use of the vessel, the charterer must file a copy of the sub-charter and amendments to the sub-charter with the Director, National Vessel Documentation Center, within 10 days after a request by the Director to do so.

(f) A person that submits a false certification under this section is subject to penalty under 46 U.S.C. 12122 and 18 U.S.C. 1001.

§ 68.75 Application procedure for barges to be operated in coastwise trade without being documented.

(a) The person that owns a barge qualified to engage in coastwise trade must submit the following to the National Vessel Documentation Center:

(1) The certification required by § 68.65(a)(1) or (a)(2).

(2) A certification in the form of an affidavit and, if requested by the Director, National Vessel Documentation Center, supporting documentation establishing the following facts with respect to the transaction from an individual who is authorized to provide certification on behalf of the person that owns the barge and who is an officer in a corporation, a partner in a partnership, a member of the board of managers in a limited liability company, or their equivalent. The certificate must certify the following:

(i) That the person that owns the barge is organized under the laws of the United States or a State.

(ii) That the person that owns the barge has transferred to a qualified United States citizen under 46 U.S.C. app. 802 full possession, control, and

command of the U.S.-built barge through a demise charter in which the demise charterer is considered the owner *pro hac vice* during the term of the charter.

(iii) That the barge is qualified to engage in the coastwise trade and that it is owned by a person eligible to own vessels documented under 46 U.S.C. 12102(e).

(3) A copy of the charter, which must provide that the charterer is deemed to be the owner *pro hac vice* for the term of the charter.

(b) The charterer must submit the following to the National Vessel Documentation Center:

(1) A certificate certifying that the charterer is a citizen of the United States for engaging in the coastwise trade under 46 U.S.C. app. 802.

(2) Detailed citizenship information in the format of form CG–1258, Application for Documentation, section G, citizenship. The citizenship information must be signed by, or on behalf of, the charterer.

(c) Whenever a charter under paragraph (a) of this section is amended, the barge owner must file a copy of the amendment with the Director, National Vessel Documentation Center, within 10 days after the effective date of the amendment.

(d) Whenever the charterer of a barge under paragraph (a) of this section enters into a sub-charter that is a demise charter with another person for the use of the barge, the charterer must file a copy of the sub-charter and amendments to the sub-charter with the Director, National Vessel Documentation Center, within 10 days after the effective date of the sub-charter and the sub-charterer must provide detailed citizenship information in the format of form CG–1258, Application for Documentation, section G, citizenship.

(e) Whenever the charterer of a barge under paragraph (a) of this section enters into a sub-charter other than a demise charter with another person for the use of the barge, the charterer must file a copy of the sub-charter and amendments to the sub-charter with the Director, National Vessel Documentation Center, within 10 days after a request by the Director to do so.

(f) A person that submits a false certification under this section is subject to penalty under 46 U.S.C. 12122 and 18 U.S.C. 1001.

§ 68.80 Invalidation of a coastwise endorsement.

In addition to the events in § 67.167(c)(1) through (c)(9) of this chapter, a Certificate of Documentation together with a coastwise endorsement under this subpart becomes invalid when—

(a) The owner fails to make the certification required by § 68.65 or ceases to meet the requirements of the certification on file;

(b) The demise charter expires or is transferred to another charterer; or

(c) The citizenship of the charterer or sub-charterer changes to the extent that they are no longer qualified for a coastwise endorsement.

Subpart D—Vessels With a Coastwise Endorsement Issued Before August 9, 2004, and Their Replacements That Are Demised Chartered to Coastwise-Qualified Citizens

SOURCE: USCG–2005–20258, 71 FR 61421, Oct. 18, 2006, unless otherwise noted.

§ 68.100 Purpose and applicability.

(a) This subpart contains requirements for the documentation of U.S.-built vessels in the coastwise trade that were granted special rights under the Coast Guard and Maritime Transportation Action of 2004 (Pub. L. 108–293).

(b) This subpart applies to—

(1) A vessel under a demise charter that was eligible for, and received, a document with a coastwise endorsement under § 67.19 of this chapter and 46 U.S.C. 12106(e) before August 9, 2004;

(2) A barge deemed eligible under 46 U.S.C. 12106(e) and 12110(b) to operate in coastwise trade without being documented before August 9, 2004; and

(3) A replacement vessel of a similar size and function for any vessel under paragraphs (b)(1) through (b)(3) of this section.

(c) Except for vessels under paragraph (d) of this section, this subpart

applies to a certificate of documentation, or renewal of one, endorsed with a coastwise endorsement for a vessel under 46 U.S.C. 12106(e) or a replacement vessel of a similar size and function that was issued before August 9, 2004, as long as the vessel is owned by the person named in the certificate, or by a subsidiary or affiliate of that person, and the controlling interest in the owner has not been transferred to a person that was not an affiliate of the owner as of August 9, 2004.

(d) With respect to offshore supply vessels with a certificate of documentation endorsed with a coastwise endorsement as of August 9, 2004, this subpart applies until August 9, 2007. On and after August 9, 2007, subpart C of this part applies to these vessels.

§ 68.103 Definitions.

In addition to the terms defined in § 67.3 of this chapter, as used in this subpart—

Affiliate means a person that is less than 50 percent owned or controlled by another person.

Group means the person that owns a vessel, the parent of that person, and all subsidiaries and affiliates of the parent of that person.

Offshore supply vessel means a motor vessel of more than 15 gross tons but less than 500 gross tons as measured under 46 U.S.C. 14502, or an alternate tonnage measured under 46 U.S.C. 14302 as prescribed under 46 U.S.C. 14104, that regularly carries goods, supplies, individuals in addition to the crew, or equipment in support of exploration, exploitation, or production of offshore mineral or energy resources.

Operation or management of vessels means all activities related to the use of vessels to provide services. These activities include ship agency; ship brokerage; activities performed by a vessel operator or demise charterer in exercising direction and control of a vessel, such as crewing, victualing, storing, and maintaining the vessel and ensuring its safe navigation; and activities associated with controlling the use and employment of the vessel under a time charter or other use agreement. It does not include activities directly associated with making financial investments in vessels or the receipt of earnings derived from these investments.

Parent means any person that directly or indirectly owns or controls at least 50 percent of another person. If an owner's parent is directly or indirectly controlled at least 50 percent by another person, that person is also a parent of the owner. Therefore, an owner may have multiple parents.

Person means an individual; corporation; partnership; limited liability partnership; limited liability company; association; joint venture; trust arrangement; and the government of the United States, a State, or a political subdivision of the United States or a State; and includes a trustee, beneficiary, receiver, or similar representative of any of them.

Primarily engaged in leasing or other financing transactions means lease financing, in which more than 50 percent of the aggregate revenue of a person is derived from banking, investing, lease financing, or other similar transactions.

Replacement vessel means—

(1) A temporary replacement vessel for a period not to exceed 180 days if the vessel described in § 68.50 is unavailable due to an act of God or a marine casualty; or

(2) A permanent replacement vessel if—

(i) The vessel described in § 68.50 is unavailable for more than 180 days due to an act of God or a marine casualty; or

(ii) A contract to purchase or construct a replacement vessel is executed not later than December 31, 2004.

Sub-charter means all types of charters or other contracts for the use of a vessel that are subordinate to a charter. The term includes, but is not limited to, a demise charter, a time charter, a voyage charter, a space charter, and a contract of affreightment.

Subsidiary means a person at least 50 percent of which is directly or indirectly owned or controlled by another person.

§ 68.105 Eligibility of a vessel for a coastwise endorsement under this subpart.

(a) Except as under paragraphs (b) through (e) of this section, to be eligible for a coastwise endorsement under 46 U.S.C. 12106(e) and to operate in coastwise trade under 46 U.S.C. 12106(e) and 12110(b), a vessel under a demise charter must meet the following:

(1) The vessel is eligible for documentation under 46 U.S.C. 12102.

(2) The vessel is eligible for a coastwise endorsement under §67.19(c) of this chapter, has not lost coastwise eligibility under §67.19(d) of this chapter, and was financed with lease financing.

(3) The person that owns the vessel, the parent of that person, or a subsidiary of the parent of that person is primarily engaged in leasing or other financing transactions.

(4) The person that owns the vessel is organized under the laws of the United States or of a State.

(5) None of the following is primarily engaged in the direct operation or management of vessels:

(i) The person that owns the vessel.

(ii) The parent of the person that owns the vessel.

(iii) The group of which the person that owns the vessel is a member.

(6) The ownership of the vessel is primarily a financial investment without the ability and intent to directly or indirectly control the vessel's operations by a person not primarily engaged in the direct operation or management of vessels.

(7) The majority of the aggregate revenues of each of the following is not derived from the operation or management of vessels:

(i) The person that owns the vessel.

(ii) The parent of the person that owns the vessel.

(iii) The group of which the person that owns the vessel is a member.

(8) None of the following is primarily engaged in the operation or management of commercial, foreign-flag vessels used for the carriage of cargo for parties unrelated to the vessel's owner or charterer:

(i) The person that owns the vessel.

(ii) The parent of the person that owns the vessel.

(iii) The group of which the person that owns the vessel is a member.

(9) The person that owns the vessel has transferred to a qualified U.S. citizen under 46 U.S.C. app. 802 full possession, control, and command of the U.S.-built vessel through a demise charter in which the demise charterer is considered the owner *pro hac vice* during the term of the charter.

(10) The charterer must certify to the Director, National Vessel Documentation Center, that the charterer is a citizen of the United States for engaging in the coastwise trade under 46 U.S.C. app. 802.

(11) The demise charter is for a period of at least 3 years, unless a shorter period is authorized by the Director, National Vessel Documentation Center, under circumstances such as—

(i) When the vessel's remaining life would not support a charter of 3 years; or

(ii) To preserve the use or possession of the vessel.

(b) A vessel under a demise charter that was eligible for, and received, a document with a coastwise endorsement under §67.19 of this chapter and 46 U.S.C. 12106(e) before August 9, 2004, may continue to operate under that endorsement on and after that date and may renew the document and endorsement if the certificate of documentation is not subject to—

(1) Exchange under §67.167(b)(1) through (b)(3) of this chapter;

(2) Deletion under §67.171(a)(1) through (a)(6) of this chapter; or

(3) Cancellation under §67.173 of this chapter.

(c) A vessel under a demise charter that was constructed under a building contract that was entered into before February 4, 2004, in reliance on a letter ruling from the Coast Guard issued before February 4, 2004, is eligible for documentation with a coastwise endorsement under §67.19 of this chapter and 46 U.S.C. 12106(e). The vessel may continue to operate under that endorsement and may renew the document and endorsement if the certificate of documentation is not subject to—

(1) Exchange under §67.167(b)(1) through (b)(3) of this chapter;

(2) Deletion under §67.171(a)(1) through (a)(6) of this chapter; or

(3) Cancellation under §67.173 of this chapter.

(d) A barge deemed eligible under 46 U.S.C. 12106(e) and 12110(b) to operate in coastwise trade before August 9, 2004, may continue to operate in that trade after that date unless—

(1) The ownership of the barge changes in whole or in part;

(2) The general partners of a partnership owning the barge change by addition, deletion, or substitution;

(3) The State of incorporation of any corporate owner of the barge changes;

(4) The barge is placed under foreign flag;

(5) Any owner of the barge ceases to be a citizen within the meaning of part 67, subpart C, of this chapter; or

(6) The barge ceases to be capable of transportation by water.

(e) A barge under a demise charter that was constructed under a building contract that was entered into before February 4, 2004, in reliance on a letter ruling from the Coast Guard issued before February 4, 2004, is eligible to operate in coastwise trade under 46 U.S.C. 12106(e) and 12110(b). The barge may continue to operate in coastwise trade unless—

(1) The ownership of the barge changes in whole or in part;

(2) The general partners of a partnership owning the barge change by addition, deletion, or substitution;

(3) The State of incorporation of any corporate owner of the barge changes;

(4) The barge is placed under foreign flag;

(5) Any owner of the barge ceases to be a citizen within the meaning of subpart C of this part; or

(6) The barge ceases to be capable of transportation by water.

§68.107 Application procedure for vessels other than barges to be operated in coastwise trade without being documented.

(a) In addition to the items under §67.141 of this chapter, the person that owns the vessel (other than a barge under §68.109) and that seeks a coastwise endorsement under this subpart must submit the following to the National Vessel Documentation Center:

(1) A certification in the form of an affidavit and, if requested by the Director, National Vessel Documentation Center, supporting documentation establishing the following facts with respect to the transaction from an individual who is authorized to provide certification on behalf of the person that owns the vessel and who is an officer in a corporation, a partner in a partnership, a member of the board of managers in a limited liability company, or their equivalent. The certificate must certify the following:

(i) That the person that owns the vessel, the parent of that person, or a subsidiary of a parent of that person is primarily engaged in leasing or other financing transactions.

(ii) That the person that owns the vessel is organized under the laws of the United States or a State.

(iii) That none of the following is primarily engaged in the direct operation or management of vessels:

(A) The person that owns the vessel.

(B) The parent of the person that owns the vessel.

(C) The group of which the person that owns the vessel is a member.

(iv) That ownership of the vessel is primarily a financial investment without the ability and intent to directly or indirectly control the vessel's operations by a person not primarily engaged in the direct operation or management of vessels.

(v) That the majority of the aggregate revenues of each of the following is not derived from the operation or management of vessels:

(A) The person that owns the vessel.

(B) The parent of the person that owns the vessel.

(C) The group of which the person that owns the vessel is a member.

(vi) That none of the following is primarily engaged in the operation or management of commercial, foreign-flag vessels used for the carriage of cargo for parties unrelated to the vessel's owner or charterer:

(A) The person that owns the vessel.

(B) The parent of the person that owns the vessel.

(C) The group of which the person that owns the vessel is a member.

(vii) That the person that owns the vessel has transferred to a qualified United States citizen under 46 U.S.C. app. 802 full possession, control, and command of the U.S.-built vessel

through a demise charter in which the demise charterer is considered the owner *pro hac vice* during the term of the charter.

(viii) That the vessel is financed with lease financing.

(2) A copy of the charter, which must provide that the charterer is deemed to be the owner *pro hac vice* for the term of the charter.

(b) The charterer must submit the following to the National Vessel Documentation Center:

(1) A certificate certifying that the charterer is a citizen of the United States for the purpose of engaging in the coastwise trade under 46 U.S.C. app. 802.

(2) Detailed citizenship information in the format of form CG–1258, Application for Documentation, section G, citizenship. The citizenship information may be attached to the form CG–1258 that is submitted under § 67.141 of this chapter and must be signed by, or on behalf of, the charterer.

(c) Whenever a charter under paragraph (a) of this section is amended, the vessel owner must file a copy of the amendment with the Director, National Vessel Documentation Center, within 10 days after the effective date of the amendment.

(d) Whenever the charterer of a vessel under paragraph (a) of this section enters into a sub-charter that is a demise charter with another person for the use of the vessel, the charterer must file a copy of the sub-charter and amendments to the sub-charter with the Director, National Vessel Documentation Center, within 10 days after the effective date of the sub-charter and the sub-charterer must provide detailed citizenship information in the format of form CG–1258, Application for Documentation, section G, citizenship.

(e) Whenever the charterer of a vessel under paragraph (a) of this section enters into a sub-charter other than a demise charter with another person for the use of the vessel, the charterer must file a copy of the sub-charter and amendments to the sub-charter with the Director, National Vessel Documentation Center, within 10 days after a request by the Director to do so.

(f) A person that submits a false certification under this section is subject to penalty under 46 U.S.C. 12122 and 18 U.S.C. 1001.

§ 68.109 Application procedure for barges to be operated in coastwise trade without being documented.

(a) The person that owns a barge qualified to engage in coastwise trade under the lease-financing provisions of 46 U.S.C. 12106(e) must submit the following to the National Vessel Documentation Center:

(1) A certification in the form of an affidavit and, if requested by the Director, National Vessel Documentation Center, supporting documentation establishing the following facts with respect to the transaction from an individual who is authorized to provide certification on behalf of the person that owns the barge and who is an officer in a corporation, a partner in a partnership, a member of the board of managers in a limited liability company, or their equivalent. The certificate must certify the following:

(i) That the person that owns the barge, the parent of that person, or a subsidiary of the parent of that person is primarily engaged in leasing or other financing transactions.

(ii) That the person that owns the barge is organized under the laws of the United States or a State.

(iii) That none of the following is primarily engaged in the direct operation or management of vessels:

(A) The person that owns the barge.

(B) The parent of the person that owns the barge.

(C) The group of which the person that owns the barge is a member.

(iv) That ownership of the barge is primarily a financial investment without the ability and intent to directly or indirectly control the barge's operations by a person not primarily engaged in the direct operation or management of the barge.

(v) That the majority of the aggregate revenues of each of the following is not derived from the operation or management of vessels:

(A) The person that owns the barge.

(B) The parent of the person that owns the barge.

(C) The group of which the person that owns the barge is a member.

(vi) That none of the following is primarily engaged in the operation or management of commercial, foreign-flag vessels used for the carriage of cargo for parties unrelated to the vessel's owner or charterer:

(A) The person that owns the barge.

(B) The parent of the person that owns the barge.

(C) The group of which the person that owns the barge is a member.

(vii) That the person that owns the barge has transferred to a qualified United States citizen under 46 U.S.C. app. 802 full possession, control, and command of the U.S.-built barge through a demise charter in which the demise charterer is considered the owner *pro hac vice* for the term of the charter.

(viii) That the barge is qualified to engage in the coastwise trade and that it is owned by a person eligible to own vessels documented under 46 U.S.C. 12102(e).

(ix) That the barge is financed with lease financing.

(2) A copy of the charter, which must provide that the charterer is deemed to be the owner *pro hac vice* for the term of the charter.

(b) The charterer must submit the following to the National Vessel Documentation Center:

(1) A certificate certifying that the charterer is a citizen of the United States for engaging in the coastwise trade under 46 U.S.C. app. 802.

(2) Detailed citizenship information in the format of form CG–1258, Application for Documentation, section G, citizenship. The citizenship information must be signed by, or on behalf of, the charterer.

(c) Whenever a charter under paragraph (a) of this section is amended, the barge owner must file a copy of the amendment with the Director, National Vessel Documentation Center, within 10 days after the effective date of the amendment.

(d) Whenever the charterer of a barge under paragraph (a) of this section enters into a sub-charter that is a demise charter with another person for the use of the barge, the charterer must file a copy of the sub-charter and amendments to the sub-charter with the Director, National Vessel Documentation Center, within 10 days after the effective date of the sub-charter and the sub-charterer must provide detailed citizenship information in the format of form CG–1258, Application for Documentation, section G, citizenship.

(e) Whenever the charterer of a barge under paragraph (a) of this section enters into a sub-charter other than a demise charter with another person for the use of the barge, the charterer must file a copy of the sub-charter and amendments to the sub-charter with the Director, National Vessel Documentation Center, within 10 days after a request by the Director to do so.

(f) A person that submits a false certification under this section is subject to penalty under 46 U.S.C. 12122 and 18 U.S.C. 1001.

§ 68.111 Invalidation of a coastwise endorsement.

(a) In addition to the events in § 67.167(c)(1) through (c)(9) of this chapter, a Certificate of Documentation together with a coastwise endorsement in effect before February 4, 2004, becomes invalid when—

(1) The demise charter expires or is transferred to another charterer;

(2) The citizenship of the charterer or sub-charterer changes to the extent that they are no longer qualified for a coastwise endorsement; or

(3) Neither the person that owns the vessel, nor the parent of that person, nor a subsidiary of the parent of that person is primarily engaged in leasing or other financing transactions.

(b) In addition to the events in § 67.167(c)(1) through (c)(9) of this chapter, a Certificate of Documentation together with a coastwise endorsement in effect on or after February 4, 2004, and before August 9, 2004, becomes invalid when—

(1) The demise charter expires or is transferred to another charterer;

(2) The citizenship of the charterer or sub-charterer changes to the extent that they are no longer qualified for a coastwise endorsement;

(3) Neither the person that owns the vessel, nor the parent of that person, nor any subsidiary of the parent of that person is primarily engaged in leasing or other financing transactions;

(4) The majority of the aggregate revenues of at least one of the following is derived from the operation or management of vessels:

(i) The person that owns the vessel.

(ii) The parent of the person that owns the vessel.

(iii) The group of which the person that owns the vessel is a member; or

(5) At least one of the following is primarily engaged in the operation or management of commercial, foreign-flag vessels used for the carriage of cargo for parties unrelated to the vessel's owner or charterer:

(i) The person that owns the vessel.

(ii) The parent of the person that owns the vessel.

(iii) The group of which the person that owns the vessel is a member.

(c) When the coastwise endorsement for a vessel to which this subpart applies becomes invalid under paragraph (a)(1) or (b)(1) of this section, the vessel remains eligible for documentation under this subpart provided it is a vessel to which §68.100(b) or (c) applies.

PART 69—MEASUREMENT OF VESSELS

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