

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
57532	46 App.:1205.	June 29, 1936, ch. 858, title VII, §715, as added July 11, 1956, ch. 574, 70 Stat. 531; Pub. L. 97-31, §12(117), Aug. 6, 1981, 95 Stat. 164.

Subsection (d) is substituted for “Those provisions of law prescribed or incorporated under section 1241a of this Appendix, which relate to vessel operating activities of the Secretary of Transportation and to employment of seamen through general agents, shall be applicable in connection with charters and agreements entered into under this section” for clarity.

Editorial Notes

AMENDMENTS

2018—Subsec. (d). Pub. L. 115-232 substituted “(50 U.S.C. 4701(a), (c), 4703(c), and 4704)” for “(50 App. U.S.C. 1291(a), (c), 1293(c), 1294)”.

§ 57533. Vessel chartering authority

The Secretary of Transportation may enter into contracts or other agreements on behalf of the United States to purchase, charter, operate, or otherwise acquire the use of any vessels documented under chapter 121 of this title and any other related real or personal property. The Secretary is authorized to use this authority as the Secretary deems appropriate.

(Added Pub. L. 110-181, div. C, title XXXV, §3511(a), Jan. 28, 2008, 122 Stat. 593.)

PART G—RESTRICTIONS AND PENALTIES

CHAPTER 581—RESTRICTIONS AND PENALTIES

Sec.	
58101.	Operating in domestic intercoastal or coastwise service.
58102.	Default on payment or maintenance of reserves.
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58104.	Willful violation constitutes breach of contract or charter.
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58108.	Charges for transportation subject to subtitle IV of title 49.
58109.	Penalties.

§ 58101. Operating in domestic intercoastal or coastwise service

(a) PROHIBITION.—A subsidy may not be awarded or paid to a contractor under the operating-differential subsidy program, and a vessel may not be chartered to a person under chapter 575 of this title, if the contractor or charterer, or a holding company, subsidiary, affiliate, or associate of the contractor or charterer, or an officer, director, agent, or executive thereof, directly or indirectly—

- (1) owns, charters, or operates a vessel engaged in the domestic intercoastal or coastwise service; or

(2) owns a pecuniary interest in a person that owns, charters, or operates a vessel in the domestic intercoastal or coastwise service.

(b) WAIVER.—A person may apply to the Secretary of Transportation for a waiver of subsection (a). Before deciding on the waiver, the Secretary shall give the applicant and other interested persons an opportunity for a hearing. The Secretary may not grant the waiver if the Secretary finds it would—

- (1) result in unfair competition to a person operating exclusively in the domestic intercoastal or coastwise service; or
- (2) be prejudicial to the objectives and policy of this subtitle.

(c) CONTINUOUS OPERATION SINCE 1935.—The Secretary shall grant an application under subsection (b) without requiring further proof that the public interest and convenience will be served and without further proceedings as to the competition in the route or trade, if the contractor or other person, or a predecessor in interest, was in bona-fide operation as a common carrier by water in the domestic intercoastal or coastwise trade in 1935 over the route or in the trade for which the application is made and has so operated since that time or, if engaged in furnishing seasonal service only, was in bona-fide operation in 1935 during the season ordinarily covered by its operation, except in either event as to interruptions of service over which the applicant or its predecessor in interest had no control.

(d) DIVERSION INTO INTERCOASTAL OR COASTWISE OPERATIONS.—If an application under subsection (b) is approved, a person referred to in this section may not divert, directly or indirectly, money, property, or any other thing of value, used in a foreign-trade operation for which a subsidy is paid by the United States Government, into intercoastal or coastwise operations.

(Pub. L. 109-304, §8(c), Oct. 6, 2006, 120 Stat. 1670.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
58101	46 App.:1223(a).	June 29, 1936, ch. 858, title VIII, §805(a), 49 Stat. 2012; Pub. L. 97-31, §12(122), Aug. 6, 1981, 95 Stat. 164; Pub. L. 104-239, §4(b)(1), Oct. 8, 1996, 110 Stat. 3131.

In this chapter, references to the “operating-differential subsidy program” are substituted for references to “part A of subchapter VI of this chapter”, meaning 46 App. U.S.C. 1171-1185a, because part A of subchapter VI contains the operating-differential subsidy program and under 46 App. U.S.C. 1185a that program is being phased out. Consequently, part A is being omitted from the revised title and will instead appear as a note under section 53101, except for 46 App. U.S.C. 1177 and 1177-l which are restated in chapter 535. References to “chapter 575 of this title” are substituted for references to “subchapter VII of this chapter”, meaning 46 App. U.S.C. 1191-1205, because those sections are restated in chapter 575.

In subsection (b), the words “A person may apply to the Secretary of Transportation for a waiver of subsection (a). Before deciding on the waiver, the Secretary shall give the applicant and other interested persons an opportunity for a hearing.” are substituted